

## GROUP LISTS DATA ON 'SUBVERSIVES'

Business Men Aid Chicago  
Council, Which Claims a  
File of Million Names

By AUSTIN C. WEHRWEIN

Special to The New York Times

CHICAGO, July 9 — The American Security Council is collecting here at the rate of 20,000 a month the names of individuals and organizations labeled as subversives.

The council is backed by a group of business men including Gen. Robert H. Wood, retired board chairman of Sears, Roebuck & Co.; Fred Lazarus Jr., board chairman of Federated Department Stores; Hughston M. McBain, retired board chairman of Marshall Field & Co., and Paul V. Galvin, board chairman, Motorola, Inc.

The stated purpose of the council, which maintains files with more than 1,000,000 names, is to gather and cross-index "factual information about Communist and other statist movements."

The council's leading staff members are former special agents for the Federal Bureau of Investigation. It publishes a monthly confidential news letter for its members and offers a number of special services.

### Special Services Listed

Among the services are:

¶To assist member companies in making loyalty checks on employees when the Defense Department and other governmental agencies require the companies to make such checks as a condition for getting a Government contract.

¶To assist member companies in checking on "questionable" organizations asking for support or money.

¶To make material from the files and books available to each member company executives and to outsiders, such as

journalists that the council feels it can trust.

The council, by its own account, supplements the F. B. I. Its literature notes that the F. B. I. may not furnish information to industry on subversion.

However, the council president, John M. Fisher, national security coordinator for Sears,

Roebuck and a former F. B. I. man in New York, said the council did not make "gum shoe" investigations of any individuals and had never used informers.

He said all reports were documented by material that would stand up in court. It is drawn from many sources, he said, including legislative investigations, newspaper clippings and political petitions.

The council has 175 member companies—100 more than it had Jan. 1. Among them are United States Steel, the Chicago Tribune, The Rockford (Ill.) Star, Illinois Central Railroad, Stewart-Warner Corporation, Acme Steel Company and Belden Manufacturing Company.

General Wood, Mr. McBain and Mr. Galvin have recently written letters to leading business men stating the council's aims and soliciting membership. The aim is to get 300 members by March 1, 1959, and 1,000 within the next five years.

### Regular Staff of 8

Mr. Fisher said the council was also interested in groups such as the Ku Klux Klan.

He said each council report gave material found in the files.

"We don't," he asserted, "ever say a man is a Communist or not a Communist."

The council has a regular staff of eight persons and operates on an annual budget of \$100,000. It was organized in 1955 as the Anti-American Research Library. The name was changed in 1956.

The operating director of the council is Robert J. Wilson, who, until last year, was director of security at Argonne National (Atomic) Laboratory, at near-bombment, Ill.

CLIPPING FROM THE

N.Y. N.Y. TIMES

EDITION LATE CITY

DATED JUL 10 1958

PAGE 56

FORWARDED BY NY DIVISION

RE: AMERICAN SECURITY COUNCIL

BUFILE - 100-  
425529

5-0-0  
O'Connell

File

NOT RECORDED

REC-36 167 JUL 17 1958

77 JUL 18 1958

# **'SUBVERSIVE' NAMES FOR SALE**

## **Now the List**

## **Grows and**

## **Grows**

By WILLIAM H.

*New York Post Columnist*  
Chicago, July 16—The security  
check prospective  
g.

mply passes on to its clients the intelli  
ad or indifferent—that it has amasse

ost investigation into the operating prac

American Security Council reveals that  
ously at the business of getting as man  
sible into its files. These are culled fr  
onal and legislative hearings, newspap  
public speeches—any area that might  
ttest hint that a man is "subversive."  
re's little done to brand this inform  
ble or unconfirmed, although Council F  
Fisher insists that he always throws  
hen he learns that it is untrue.

at as for double-checking material before  
files or supplied to clients, Fisher says  
We don't differ from a newspaper  
(ary). We don't use confidential sources  
n. We don't use tipsters. We have  
es. We don't use anything we can't

Fisher insists that "nothing is reported (to a client)  
unless it can be used in a court of law."  
There is of course, a gimmick to that boast.

CLIPPING FROM THE

N.Y. POST

EDITION 7th.BLUe FINAL

DATED JUL 10 1958

PAGE 5

FORWARDED BY NY DIVISION

RE: "AMERICAN SECURITY  
COUNCIL"

BUFILE -

50 JUL 26 1958

NOT RECORDED  
167 JUL 17 1958

PERM FILE

The Council has been in business since 1955, when a former FBI agent, William F. Carroll, chartered it as the "Midwest Research Library." His wife and a file clerk were fellow-incorporators.

The objective of the organization, as reported to the Illinois Secretary of State, was "gathering, preserving and disseminating American historical and biographical data and data concerning American institutions, ideals and the American way of life."

About a year later the name was changed to the American Security Council, and at the same time the organization matured. For one thing, it took on the corporation membership plan, whereby the firms pay a set fee for belonging instead of paying only for work done. For another, it bolstered its board of directors with big business men—some of them (as reported yesterday) the usual cast of the Far Right dramas, but others fairly liberal Republican industrialists.

Fisher, an ex-FBI agent attached to the New York office for Communist Party investigations, became president. Robert A. Fisher

First, before World War II, For America after Korea.

But the American Security Council was his best project yet, because he was able to enlist so many industrialists who never fell for the old pitches.

Key business men throughout the nation now receive the Council's slick literature and an accompanying letter from Wood urging that they avail themselves of this service.

Wood's soliciting has been successful. Some 175 firms now belong to the Council and use its facilities to check prospective employees. They pay from \$30 to \$900 a year, depending upon the size of the firm.

In addition, they pay \$2.50 for each security check. The Council handles up to 2,800 such checks month.

This income has given the American Security Council a budget of \$100,000 with which to operate this year.

Naturally, some of the most extreme members of the far right have been attracted by the Council. Among these who direct its activities are:

Former Illinois Congressman Fred P. Brown, who is a member of the Council and who was once denounced as a "rabble rouser" by President Roosevelt.

Robert Deanner, a Colorado Springs, Col., millionaire who once was high in his praise of former Mississippi Congressman John Rankin and who lately has been investigating public schools because, he said, they

ist and Socialist influence.

John T. Beatty, a Chicago businessman. Of Beatty, the Chicago Daily News said: "For a hobby he traces undercover movements to push the United States into socialism, and then he crusades against them."

Just what is the criterion for

Fisher told The Post.

"If the situation is in line with the current Communist Party line, then it becomes of interest to us."

Thus a man (without his knowing it) may wind up in the American Security Council files simply because he has, for example, come out against H-Bomb tests. The Communist Party line also is against H-bomb tests.

The Council does not say that all H-bomb test opponents are Communists, but the implication is there when a prospective employer gets the dossier on an applicant.

Fisher admitted that even statements by White Citizens Council leaders are sometimes collected.

"But," he adds, "we don't use them as a matter of practice. It depends upon the individual situation."

(Fisher didn't say so, but the "individual situation" may be the location of the client. If his plant is in the South he may want Citizens Council approval of an employee's "loyalty" to the Confederacy rather than to the U.S.).

Wilson concedes that the Council newsletter may well contain a list of members of an organization that he feels is following a Communist line, even if he knows that these men are not Communists. This was true in the case of signers of a petition calling for abolition of the House Un-American Activities Committee.

"To record the success of Communist front organizations and to point out the glittering array of names secured for this petition, there is being set forth the identity of these 61 individuals and their occupations," he explained.

The newsletter is just a sideline of the Council, however. The prime product of the organization is security checks while you wait.

Most of the men being checked have never heard of the American Security Council, and certainly never know that it is responsible when they are rejected for jobs. But, Fisher says, they

# An Interview with a Blacklister

By SAM KUSHNER

(Third of a Series)

CHICAGO — "What are you fellows trying to stir up?" This was the question put to your reporter by John T. Beatty, president of the United Specialties Co. and a member of the Industry Relations Committee of the American Security Council, in the course of our 25-minute phone conversation.

Behind the facade of Americanism and so-called antisubversive activity the Chicago based American Security Council and its nationwide offspring Fidelifax, seeks to shroud its anti-labor blacklist activities in the cloak of respectability. Like the FBI, it seeks anonymity. It wants no publicity.

But the million name file located at 205 West Monroe Street in Suite 300 and the thirty two branch offices of Fidelifax located throughout the nation, is an ever present menace to militant labor in our country. The blacklist is back in business, bigger and worse than ever.

★

EVERY ORGANIZATION has its garrulous individual, however, and it was the good fortune of your reporter to find him.

John Beatty was real coy about the American Security Council. And when it came to his own self interest and the knowledge of his employees about his activities, he became downright rude and angry. But on a philosophical level he would talk all day.

When asked about his activities in the ASC, he admitted to membership, but refused to reveal his official relations with it. He sort of took the fifth amendment on that one. To the question, "Why doesn't ASC make its officers and sponsors public," he blandly replied, "Why should they?"

To the charge that his organization was antilabor there came only silence, no denial. The reason for the existence of the American Security Council is the same as for doors on houses, he asserted. As for Communists, they have no rights, he was quick to add.

BUT THE SPARRING came

to a sudden halt when the UAW was mentioned. Local 1162 of the UAW represents the workers at United Specialties, Beatty's company. When I mentioned that some of the people in the UAW regional office thought the ASC was anti-labor, Beatty almost became apoplectic.

"What are you doing fooling around with the UAW?" he demanded to know. The inquiry would, he felt sure, get back to the unionists in the local.

"Out here we have a fine, ethical and understanding relationship" with the UAW, he hastened to add. It was at that time that he accused the Worker of trying to stir up trouble by disclosing his association with the blacklist agency. He demanded to know by what right the Worker was defending trade unionists? He argued that most unions, including the UAW, claim to have kicked out the Communists. It was beyond his McCarthy-like comprehension that any unionist would talk to a representative of The Worker.

After things cooled off a bit, Beatty became his old joshing self again. That's when he let the real pearls of wisdom drop. Just before concluding the conversation, he remarked, "It's too bad I don't have a bug on this line, it sure would make an interesting playback". When asked he often bugged (recorded).

Tolson \_\_\_\_\_  
Boardman \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Nease \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
Clayton \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

Wash. Post and Times Herald \_\_\_\_\_  
Wash. News \_\_\_\_\_  
Wash. Star \_\_\_\_\_  
N. Y. Herald Tribune \_\_\_\_\_  
N. Y. Journal-American \_\_\_\_\_  
N. Y. Mirror \_\_\_\_\_  
N. Y. Daily News \_\_\_\_\_  
N. Y. Times \_\_\_\_\_  
Daily Worker \_\_\_\_\_  
The Worker *pg. 3* \_\_\_\_\_  
New Leader \_\_\_\_\_

Date 8-3-58

NOT RECORDED

16 AUG 20 1958

PERS. FILES

78 AUG 21 1958

67 SEP 5 1958

his phone conversation he quickly denied it. Recording phone conversations without a beep is a violation of the federal law.

★

**THE HISTORY** of the American Security Council is a strange one, judging by documents filed with the secretary of state's office at Springfield, Ill. On March 30th, 1956 a former FBI agent, William P. Carroll, Jr., his wife Loretta, and Joseph Cerny filed incorporation papers with the state of Illinois for the Mid-American Research Library. This group announced that they were forming a corporation "not for profit" and that the aim of the Library was "gathering, preserving and disseminating American historical and biographical data and data concerning American institutions, ideals and the American way of life."

As for the announced aims, it would be hard to gather together a more glittering set of meaningless generalities.

On Dec. 4, 1956, the name was changed to the American Security Council. John M. Fisher, the security coordinator of Sears, Roebuck & Co., was then the new president of the organization.

★

**IF THE BEGINNINGS** of the American Security Council are befogged, those of the Fidelifax are surrounded by even heavier mists in the official records. On Nov. 18, 1955, Fidelifax filed papers in Illinois stating it was a Delaware corporation but that its main place of business was Chicago. Albert H. Johnson was listed as the director and president.

The announced aims of Fidelifax, as listed in the incorporation papers, were "To operate a fact finding service. To perform various personnel and related functions. To perform general services, primarily for business organizations."

What else do the corporation papers reveal? That Fidelifax was not doing business in Illinois at that time (all they had was a charter to do business), that ownership of the corporation was limited to Illinoisans, and that they expected to do \$5,000 worth of business in the next year.

The years of 1956 and 1957 could well be called the ground-work years for both the Security Council and Fidelifax. The aims

of both organization as well as the top personnel (President John M. Fisher) seemed to merge. The investigative approach of Fidelifax together with the "American way of life" so dear to the American Security Council came together.

Meanwhile in Chicago Fidelifax dropped out of sight. At the 209 S. LaSalle St. address they are unknown. Fidelifax is not listed in the Chicago phone book. It is quite apparent that the American Security Council and Fidelifax are one and the same in this city to all intents and purposes.

**THE ANTI-LABOR** business has always paid off in big dividends. So-called patriots have been known to get quite wealthy. So the American Security Council is anxious to appear modest, even penurious, in the eyes of the public.

Fisher told the N. Y. Post and the N. Y. Times, that ASC operates on a \$100,000 annual budget. From where we sit it looks a lot more like a quarter of a million.

For each so-called loyalty check, the ASC charges \$2.50 per name. The ASC claims to check as many as 2,800 per month. This would bring an annual income of about \$80,000 per year from this source alone.

(Continued on page 12)

## Blacklist

(Continued from page 3)

Then there are the membership dues. They range from \$30 yearly for a company with less than 25 workers to \$900 per year for the very large companies. Judging by some of the large companies mentioned earlier in this article, the average should be at least \$500 per year. In January of this year the ASC had 75 members. Now they claim 175 and they are aiming at 300 by the end of '58.

Three hundred payments at \$500 per company would net \$150,000 in so-called membership dues alone. On top of these charges there is a \$5 per hour charge for personal consultation. You figure out how much that would bring in.

All in all, it adds up to the fact that this is no piker outfit. But this doesn't stop them from asking for donations. And you can rest assured that outfits like Sears Roebuck, Quaker Oats and others have pitched in a pretty penny. Especially since the ASC assures its "clients" that it is all tax deductible. The Patriotism racket still pays off, it seems.



WHO IS PRESSURED to join the ASC? How close is the tieup between the RBI and the ASC? What is the meaning of the whole anti-labor setup. These and other questions will be dealt with in next week's concluding article.

Tolson \_\_\_\_\_  
 Boardman \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Parsons \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tamm \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Clayton \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holloman \_\_\_\_\_  
 Gandy \_\_\_\_\_

# FLASH!

We have just received an order from PITTSBURGH for 1,000 copies of the flyer we are publishing on the American Security Council spy network. It will include the stories by Sam Rushner which we have published during the past four weeks, plus the illustrative material.

CHICAGO has already ordered 10,000 copies.

We will only print enough to cover the order.

If you delay you will be too late.

*Handwritten signature: J. Edgar Hoover*

Wash. Post and Times Herald \_\_\_\_\_  
 Wash. News \_\_\_\_\_  
 Wash. Star \_\_\_\_\_  
 N. Y. Herald Tribune \_\_\_\_\_  
 N. Y. Journal-American \_\_\_\_\_  
 N. Y. Mirror \_\_\_\_\_  
 N. Y. Daily News \_\_\_\_\_  
 N. Y. Times \_\_\_\_\_  
 Daily Worker \_\_\_\_\_  
 The Worker *Rg 1* \_\_\_\_\_  
 New Leader \_\_\_\_\_

Date 8-17-58

REC-13

NOT RECORDED  
 AUG 21 1958

100-3881958

# NAM's Top Men Plotted Blacklist in 1951

By GEORGE MORRIS

THE MASTER BLACKLIST of a million names and an industrial spy system of at least 82 known offices across the country run by former FBI men, is an outgrowth of a plan conceived eight years ago on the initiative of the Industrial Conference Board, the research arm of the National Association of Manufacturers.

The anti-labor spy operation directed out of Chicago's offices of the American Security Council under the name Fidelifax, Inc., dwarfing even the espionage outfits of the thirties exposed in Senate LaFollette Committee hearings, was described fully in the fine series of article in The Worker by Sam Kushner.

The idea of screening and loyalty oathing workers on a mass scale runs back, of course, to 1946 when President Truman initiated it among government employees and to the following year when the Chamber of Commerce prepared special handbooks for expansion of the witchhunt and classification of workers on the basis of their political re-

lations, in all fields of American life.

IT WAS IN JANUARY, 1951, when a group of top big corporation executives gathered in New York's Astor hotel at the invitation of the National Industrial Conference Board to discuss "Controlling Communism and Sabotage in Industry". That started the ball rolling for a master blacklist plan, which the NICB promised to prepare.

The plan was made available to businessmen late in 1952 in the form of "Studies In Business Policy, No. 60" prepared by R. Maxil Ballinger, of the Division of Business Practice of the NICB, an 88-page document available only to associated firms.

It contains essentially a blueprint for what in time became a nationwide coordinated machinery for blacklisting, or classifying for blacklisting, not only Communists or people who can be remotely related to them, but of the far more numerous, active, union-conscious workers.

"No. 60" is amazingly frank

in stating the objective of the plan developed in the guise of a "security" system. G. Clark Thompson, director of the Division of Business Practices in its foreword stresses "it can pay off in peace time" because:

"It can help you rid your plant of agitators who create labor unrest, who promote excessive grievances, slowdowns and strikes and encourage worker antipathy toward management. These actions cost your company money."

CLARK ALSO NOTED that the task of getting rid of people who "create unrest" is not easy because "management has bargained away most of its rights to deal effectively with questionable employees." But he adds "this report shows what can and is being done by companies" to be rid of such active unionists.

Clark's foreword, like the repeated admonitions in Fidelifax, Inc. pamphlets stresses that the FBI has no jurisdiction in handling the business of blacklist processing. So the task falls on the companies privately and on "se-

Tolson \_\_\_\_\_  
Boardman \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Nease \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
Clayton \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

Wash. Post and Times Herald \_\_\_\_\_  
Wash. News \_\_\_\_\_  
Wash. Star \_\_\_\_\_  
N. Y. Herald Tribune \_\_\_\_\_  
N. Y. Journal-American \_\_\_\_\_  
N. Y. Mirror \_\_\_\_\_  
N. Y. Daily News \_\_\_\_\_  
N. Y. Times \_\_\_\_\_  
Daily Worker \_\_\_\_\_  
The Worker p. 7 \_\_\_\_\_  
New Leader \_\_\_\_\_

Date 8-24-58

PERS. FILES

REC- 96

RECORDED

167 SEP 2 1958

59 SEP 4 1958



"security" services which bidding.

This is apparently in reply to complaining that they had turned the many companies whose reports are quoted in the document, over their files and information on "subversives" to the FBI but had never received a response.

The document develops the concept of a blacklist plan under employer direction, sufficiently "broadened" to cover active unionists in general. "Most companies believe that to be effective such investigations require the services of an investigative agency . . .," says the NICB.

Fidelifax, Inc., is the fruition of that concept for a "peacetime" blacklist, the answer to the dreams of executives of General Electric, Ford, du Pont, General Motors, Westinghouse, U. S. Steel, Anaconda, Standard Oil and other of the firms who met at the Astoria in 1951.

★

SEVEN YEARS AGO the advice to every company was to maintain a "master file" on the "subversive activities" of their

employees or former employees for many years back, and to cooperate with the "security" service outfits that were springing up.

Today, the idea has developed for the centralization of these "security" services, the merging of their "master lists" into one said to already contain more than a million names already many times the number ever included in the Communist Party.

Thus, while this dirty racket is not under the FBI's jurisdiction, it has become a sort of semi-official arm of those who run the FBI. If it ever comes to another congressional inquiry into the despicable racket of spying on workers, it will be the FBI itself that will have to be investigated.

"No. 60" gives numerous example of companies that showed how to handle security. In one case the report begins "For fourteen years, a midwestern steel company has been carefully investigating the background and character of every employee who is placed on its payroll." That, of course, meant the firm began its "security" program in the thirties.

"No. 60" can select from its numerous examples of how companies handle the "security" problem those that show how to detect a "security risk". He "foment[s] labor unrest," "causes strikes," "slow operations," "instigates phoney grievances," and does a hundred other things of which unions and union men a million miles away from Communism, are often charged.

★

THE EMPHASIS throughout "No. 60" is to make the employer aware that the "security" idea is a godsend to him, providing an opportunity to square off with workers who are simply good unionists and don't want to play with the company.

"No. 60" acknowledges that often it is difficult to fire people as "Communists" or show the needed proof of "subversion" adding, however "but most companies report they are discharging these employees for other reasons than that they are Communists."

The suggestion of another company, a New York manufacturer is cited. The state's anti-discrimination law, the firm complains "limits us considerably to the type of questions we can ask" of an applicant. But, it adds:

"Fortunately, there is an important out. Once an employee has been hired, we are at liberty to question him in additional ways . . ."

Drawing its own conclusions from many company suggestions, "No. 60" says in most cases it may be "impossible" to prove "Communist affiliation" so the "best thing to do is to fire" the worker.

"Infraction of a company rule, submission of a false employment application, or failure to perform work satisfactorily are generally the basis for dismissal." This is also a good way to escape unfair labor practice charges, "No. 60" points out.

How many thousands have been thus victimized merely after a phone call to one of the Fidelifax branches? No one will ever know. Back in the twenties and thirties, thousands who were similarly victimized fired or denied jobs for mysterious reasons, later learned that they were on master lists of Pinkerton, or Railway Audit and Inspection or similar spy agency files. This time the labor spy racket is operated by trained former FBI men.

## CONFERENCE BOARD REPORTS

# INDUSTRIAL SECURITY

## I. Combating Subversion and Sabotage

confirms we hear and see the most. Often they are actually despised by the professional although serving the very useful purpose of diverting attention from him. But even if you don't have a trained saboteur in hire, you can rid your plant of agitators who create labor unrest, who promote excessive grievances, slowdowns and strikes, and encourage worker antipathy toward management. These actions cost your company money. It can help you rid your plant of arsonists and criminals. It can help you eliminate from your payrolls unstable

### Fire Him

Where the union is cooperative or where there is no union, companies report that the best thing to do is to fire men of questionable loyalty. Communist affiliation is rarely used as the premise since this may be difficult, if not impossible, to prove legally. Instead, an infraction of a company rule, submission of a false employment application, or failure to perform work satisfactorily are generally the bases of dismissal. Some companies report, however, that "Commies can be awfully good and conscientious workers when the heat is on."

whereabouts during the specified period, previous employers, friends or neighbors. In some instances our background investigation may go back through fifteen or twenty, even thirty years.

### Another company reports:

"We rely mostly on impressions gained through pre-employment interviews. Though in some cases previous employers are contacted for verification of employment application statements. People hired for out-of-the-ordinary positions are checked through references provided by the applicant and may be investigated by an outside agency. There is no set number of years of background investigation."

*Studies in Business Policy, No. 60*

**NATIONAL INDUSTRIAL  
CONFERENCE BOARD, Inc.**

**247 PARK AVENUE  
NEW YORK 17, N. Y.**

### Other Approaches

The Stewart-Warner case is not typical. Other companies are opposing Communist-dominated unions and are discharging known Communist employees, but most companies report that they are discharging these employees for other reasons than that they are Communists. Most companies do not care to face possible libel actions or charges of unfair labor practices. And legal proof of one's Communist affiliation is difficult to obtain as some of the recent trials show.

**BLUEPRINT FOR BLACKLIST:** Above are cover and some sample excerpts from the report of the NAM's Research arm, the National Industrial Conference Board, prepared in 1951 as an anti-labor manual to be used by the industrial corporations under the guise of combatting "subversion."

REC- 92

Tolson \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Boardman \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Parsons \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tamm \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holloman \_\_\_\_\_  
 Gandy \_\_\_\_\_

# UNITED STATES PERSECUTION OF WORKERS EXPOSED

PEKING, August 30th (Hsinhua) - A series of articles describing police persecution and the tracking down of trade union activists and progressive workers in the United States has been published by the United States Weekly Worker, according to a Tass report from New York.

The articles were written by the Weekly's Chicago correspondent Kushner. He told how workers were placed on blacklists prepared by a secret organization and were fired by their employers.

This organization was called the "American Security Council" and claimed to be a voluntary union of employers which provided its clients - commercial, industrial and other firms - with "information" regarding their workers and employees.

The country's biggest firms such as Morgan's United States Steel, Belder Manufacturing, Kraft's Foods and others took an active part in the council's work. They rendered it assistance and supported its activities.

The council was a centre uniting 32 local police organizations called "Fidelifax" which pretended to be firms for "Labour relations". All these branches, together with the council, collected information on the progressive activities of Labour leaders. Their archives already contained more than a million "files" on individual workers and employees. "20,000 new names are being added every month", Kushner said.

The "American Security Council" conducted its police activity under the pretext of "checking loyalty" upon the request of different companies, Kushner said. The council "screened" up to 2,800 workers and employees monthly.

Kushner noted the big role played in the drawing up of "blacklists" by "former" F.B.I. agents of the Federal Bureau of Investigation who were placed at the head of the council and its branches, Kushner said.

t and \_\_\_\_\_  
 erald \_\_\_\_\_  
 s \_\_\_\_\_  
 ld \_\_\_\_\_  
 ial- \_\_\_\_\_  
 1 \_\_\_\_\_  
 r \_\_\_\_\_

N. Y. Daily News \_\_\_\_\_  
 N. Y. Times \_\_\_\_\_  
 Daily Worker \_\_\_\_\_  
 The Worker \_\_\_\_\_  
 New Leader \_\_\_\_\_  
 HSINHUA NEWS \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 Date 8-31-58 P16

REC- 92 1

NOT RECORDED

164 SEP 18 1958

61 SEP 24 1958

# Subversives' Dossiers Open To the Press

CHICAGO

Newspapers seeking information about individuals and organizations considered as subversives may turn to the American Security Council for assistance in its dossiers.

Now in its third year, the Council was organized and is financed and operated by business and industrial firms to gather and cross-index information about Communists and other forms of statism.

Included in the Council's present membership are the *Chicago Tribune*, a charter member, and the *Rockford* (Ill.) *Star and Register-Republic*. Other newspapers interested in direct access to documentary information relating to the subversive activities or connections of over 1,000,000 individuals and organizations may write to the Council concerning membership.

The Council's headquarters are at 205 W. Monroe St., Chicago, 6, Ill. The operating director is Robert J. Wilson, former FBI agent and until last year director of security at the Argonne National (atomic) Laboratory.

Council president is John M. Fisher, national security coordinator for Sears, Roebuck & Co., and a former FBI man in New York.

Mr. Wilson emphasized the Council is not an anti-labor organization, but its records include labor leaders who have been identified with the Communist Party or front organizations. "But we are not interested in unions as such," he explained.

Information in the Council's files extend back over 40 years.

## Membership Sought

Present membership includes approximately 175 members, 70% of whom are Midwest industrial and business firms. The aim is to get 300 members by March 1, 1959. The Council has a regular staff of eight persons and operates on an annual budget of \$100,000. Company membership dues are based on the number of employees.

Currently, the Council is building its central index at the rate of 20,000 names per month. It handles up to 2,500 requests for security information each month. It publishes a confidential monthly newsletter which reports pertinent behind-the-

scenes activities the more important subversive groups in this country.

The Council explains that its service on subversives supplements that of the FBI, pointing out that FBI may not furnish such information to industry. The Council's current coverage includes confidential and public sources, including daily newspapers, Communist Party and other subversive groups' publications, all federal, state and local hearings on un-American activities and other pertinent data.

The information developed by the Council is available only to member companies, government agencies, carefully selected writers, scholars and other qualified persons. "This restriction is necessary to prevent the misuse of this information," Mr. Wilson said.

"However, if a newspaper is conducting an investigation, or developing data about subversives, we will open our files for the needed factual information," he said. He added that if a newspaper made repeated requests for data it would be invited to join the Council on a dues paying basis.

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Nease \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
W.C. Sullivan \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

Wash. Post and \_\_\_\_\_  
Times Herald \_\_\_\_\_  
Wash. News \_\_\_\_\_  
Wash. Star \_\_\_\_\_  
N. Y. Herald \_\_\_\_\_  
Tribune \_\_\_\_\_  
N. Y. Journal-\_\_\_\_\_ American \_\_\_\_\_  
N. Y. Mirror \_\_\_\_\_  
N. Y. Daily News \_\_\_\_\_  
N. Y. Times \_\_\_\_\_  
Daily Worker \_\_\_\_\_  
The Worker \_\_\_\_\_  
New Leader \_\_\_\_\_  
Editor & Publisher \_\_\_\_\_  
Page 57  
Date 7-26-58

100-425821  
107 AUG 2 1958

Tolson \_\_\_\_\_  
Boardman \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr ☒ \_\_\_\_\_  
Nease \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
Clayton \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

# Master Blacklist Plotted for American Industry

By SAM KUSHNER

CHICAGO — Suite 300 at 205 West Monroe Street, on the western fringes of Chicago's Loop, has become the general headquarters for a campaign to establish a master blacklist in American industry.

It is the nerve center of the American Security Council.

Manned by a corps of former FBI agents, the Council maintains an undercover operation that recently came to light. More than a million names — allegedly those of Communists and others with "statist" connections — fill the numerous filing cases. And 20,000 new names are added every month.

This is not just another "crackpot" outfit. Unlike so many of its predecessors, it has blossomed forth with a list of imposing sponsors, including some of the midwest's most widely known industrialists. General Robert E. Wood, former head of the Sears Roebuck Co. has surrounded himself with a group of "respected" business leaders.

The Security Council claims to be a "private" organization but a number of circumstances seem to belie this claim. Its most prominent personnel, beginning with the Council's president, are former FBI agents.

John M. Fisher, ASC president, headed the New York FBI operations that investigated Communist Party activities in the New York area. The operating director of the Council is Robert J. Wilson, former FBI agent, engaged in the same type of activity in the Chicago area.

The FBI headquarters here are at 212 West Monroe Street, less than 100 yards from the building housing the American Security Council.

Behind the solid panel door marked "300" and, in small business like letters, "American Security Council" there is a small eight foot square ante-room.

★

AS ONE ENTERS this unadorned, cell-like cubicle, there is a small aperture on the left side through which one speaks to the office worker. When your reporter entered there were two office workers, both personable young ladies, present. None of the operating heads of the organization were around.

Did they have any folders, I asked. Was there any promotional literature? The answers were delivered in a cheerful but firm manner. Only the representatives could give out this information, and they were out. They would be glad to call me, I was told. No call was made.

Behind these offices, long rows of files are kept in a cavernous room.

This is the nerve center from which information has come that has undoubtedly cost hundreds of workers their jobs.

For an organization that claims

Wash. Post and Times Herald \_\_\_\_\_  
Wash. News \_\_\_\_\_  
Wash. Star \_\_\_\_\_  
N. Y. Herald Tribune \_\_\_\_\_  
N. Y. Journal-American \_\_\_\_\_  
N. Y. Mirror \_\_\_\_\_  
N. Y. Daily News \_\_\_\_\_  
N. Y. Times \_\_\_\_\_  
Daily Worker \_\_\_\_\_  
The Worker 44.3 \_\_\_\_\_  
New Leader \_\_\_\_\_

Date 7-20-58

76 JUL 28 1958

76 JUL 28 1958

# Ex-FBI Agents Head 32 Offices Of Nationwide Blacklist Web

Tolson \_\_\_\_\_  
Boardman \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Nease \_\_\_\_\_  
Parsons \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tamm \_\_\_\_\_  
Trotter \_\_\_\_\_  
Clayton \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

By SAM KUSHNER (Second of a Series)

CHICAGO. — A nationwide operating under the name of Fidelifax, Inc., a Bureau of Investigation. Under the name of Fidelifax, Inc., obviously aimed at militant trade unionists, fighters for peace and adherents of peace.

Fidelifax was founded by the American Security Council, located at 205 W. Monroe Street in this city. This Council, sponsored by "well known" industrialists, many of whom have long and pernicious records of anti-labor, pro-fascist as well as anti-Communist activities, brags that it has names of one million "subversives" in its files and that 20,000 new names are being added every month.

The American Security Council appears to be the "home office" of Fidelifax. A quick examination reveals that the following statement by the Security Council is no idle boast.

The ASC states that it "sponsored (but did not finance) the organization of Fidelifax, Inc., which is a nationwide personnel investigative and fact finding organization with 32 offices in major cities throughout the country."

plant, or Plymouth's shops that if the UAW strikes it could be Chrysler. Shop conditions have hit an all-time low during this no-contract period that began June 1. Manpower is cut everywhere, but the same production is de- duction) . . . Terrible, unbearable . . . No one will reach retirement age with these v-ing conditions.

ANDY KOLODZIEJ, (welder) . . . The Dodge Paper couldn't print what I of the working conditions in

1. Post and \_\_\_\_\_  
Times Herald \_\_\_\_\_  
News \_\_\_\_\_  
Star \_\_\_\_\_  
N. Y. Herald \_\_\_\_\_  
Tribune \_\_\_\_\_  
N. Y. Journal- \_\_\_\_\_  
American \_\_\_\_\_  
N. Y. Mirror \_\_\_\_\_  
N. Y. Daily News \_\_\_\_\_  
N. Y. Times \_\_\_\_\_  
Daily Worker \_\_\_\_\_  
The Worker \_\_\_\_\_  
New Leader \_\_\_\_\_  
*the Worker* \_\_\_\_\_  
ry. 3+4 \_\_\_\_\_  
Date 7/27/58

EX-124

REC-89

53 AUG 14 1958

NOT RECORDED  
1 AUG 12 1958

PERM. FILES



**Activities of Fidelifax** is headed by a former special agent of the F.B.I. . . . The current president of the American Security Council is also president of Fidelifax."

The Worker found listings of Fidelifax in the following areas. New York, at 724 Fulton Avenue in Hempstead (Telephone IVanhoe 3-0334) and at 230 Park Avenue (Telephone MURray 3-4241).

Detroit, listed as Fidelifax of Michigan, Inc. at 27028 Plymouth Rd. (Kenwood 5-7514).

Boston, listed as Fidelifax of New England, Inc. at 53 State St. (Capital 7-9865).

Cleveland, listed as Fidelifax, Inc., at the Hanna Building (CHerry 1-6041).

Pittsburgh, listed as Fidelifax of the Alleghenies at the Empire Building (EXpress 1-3355)

In Philadelphia, there are two offices listed. This is the only city where the phone book provides a clue to the nature of the operation. The exact listings read, "Fidelifax - personnel investigations, Packard Building, LOcust 4-0757," and "Fidelifax, Inc. - Retail Protection Services Div., 1011 Chestnut St., MARKET 7-7726."

**JOHN M. FISHER**, former F.B.I. agent in the New York area, provides a major link for unorganized, and when weeks ago the Teamsters Union in contact with the Retail Clerks, announced an organizing campaign for the more than 30,000 workers in the mail order house, the Sears management announced that they would resist all attempts to organize the workers.

Earlier this year the sordid relationship between Nathan Shefferman's "Labor Relations" firm, also operating on a national wide scale, and Sears was brought to light before the McClellan committee. Shefferman's job for Sears and other companies was to defeat unions, and where this was not possible to negotiate soft contracts.

A favorite weapon of Shefferman was the use of "anti-Communist" committees to defeat attempts at unionization.

The Shefferman outfit served some 400 firms, the McClellan hearings disclosed.

For decades General Wood has fought labor. Now he blossoms forth as the major sponsor of the American Security Council, and very probably of its national

## WEEK: Interview With A Blacklister

this anti-labor organization, that reveals the true nature of Fisher heads Fidelifax and the American Security Council. He holds the title of president in each of these organizations. In addition he is the national security coordinator for Sears, Roebuck & Co.

The operating director of Chicago's American Security Council is Robert J. Wilson, former mid-west F.B.I. agent.

If the Chicago pattern is followed, local Fidelifax offices are manned by former F.B.I. agents from that locality.

Every indication points to Sears, Roebuck as being the major springboard for the entire anti-labor scheme. Up to a few months ago, Robert E. Wood, long associated with fascist causes, served as chairman of the board of directors of Sears. He plays the major role in soliciting support and membership in the American Security Council.

Just prior to World War 2, Gen. Wood, emerged as the na-

tional chairman of the American First Committee. This committee composed of some of the most rabid pro-fascists, anti-semites and anti-labor forces in the nation needed a big name front and General Wood was their man. In a newspaper interview at that time, while the Nazis were engaging in wholesale murders on the European continent, he declared that if the Nazis attacked South America, he would not favor American intervention unless the Nazis would move north of the "bulge of Brazil."

★

**THE AMERICAN SECURITY COUNCIL**, to show how "impartial" it is, claims even to have a few names of Ku Klux Klan members in its files. But back in 1941 on the very eve of World War 2, The Fiery Cross, organ of the Klan, declared, "The Klan's attitude toward the present world situation was aptly expressed by General Robert E. Wood."

Wood's association with the pro-Nazi and anti-semites continued for many years. Throughout his career, his justification has been that all he did was in the name of "anti-communism."

The Sears chain is in the main

★

**THE TENTACLES** of the America First Committee reach into the new anti-labor setup through other companies and individuals Thomas B. Bartel, vice-president of the Quaker Oats Co. is part of the Industry Relations Committee of the ASC. Douglas Stuart, son of the Quaker Oats vice-president, is credited with being the originator of the concept of the America First Committee. Today a Quaker Oats executive is in the top echelons of the new anti-labor organization.

The fascist source of the American Security Council, and its cooperating counterparts throughout the nation, is revealed not only in the connections of some of its leaders. The first file of names, is based on material bought from the estate

of Harry A. Jung for a \$35,000. Jung, one of the most notorious fascists in the nation, was a wholesale distributor of the Protocols of the Elders of Zion and Jewish forgery. Jung's office was in the Chicago Tribune building and he is reported to have received many contributions from Col. Robert T. McCormick, Tribune publisher. The organization that Jung headed was called the "American Vigilant Intelligence Association."

Jung and his associates considered all except the fascist groupings as "subversive." It is not difficult to imagine the kind of file that has been built up on the basis of the American Security Council.

## Blacklist

(Continued from page 3)

is the top board man, is known as the "sweatshop" of the radio manufacturing business. Your reporter has talked to women who have fainted on the Motorola production lines. The speedup is the worst in an industry that is notorious for its backbreaking pace.

Despite this, Motorola has successfully fought off every attempt to unionize its workers. Not even a "sweetheart" deal with any of the conservative unions in the field has been consummated. As a former Motorola worker put it, "All unions are subversive at Motorola."

★  
IN ITS BROCHURE, the council concluded its appeal for membership with the following statement:

"The American Security Council is financed by industry with the assistance of many patriotic individuals. It will be able to meet its responsibilities to industry only to the extent that industry supports it.

"In full recognition of this, many companies are assisting the council to a substantially greater extent than is indicated by the above dues schedule. Annual dues and other forms of assistance to the Council are a business expense. Special services rendered to an individual member company will be handled at cost."

These "patriots" make it clear that payments are tax deductible. The police state for the labor movement is being built with dollars paid by unionists and others, in the form of taxes. Building up this tremendous anti-labor file is done at the expense of the taxpayer.

★  
NEXT WEEK the Worker will carry an interview with a member of one of the Council's top committees. The financial structure of the Council, and the anti-labor record of other sponsors of the Council will also be examined.

★  
IN ADDITION to Wood, two other prominent Chicago industrialists have been major promoters of the American Security Council, in the Chicago area. They are Hughston M.

McBain, recently retired as board chairman of the Marshall Field & Co., and Paul V. Galvin board chairman of the Motorola Co.

(Last week's Worker printed photostats of letters from these business heads soliciting membership in the ASC).

Marshall Field & Co. is the leader of the State Street Association, and seeks to guide the policies of the major midwest merchandising houses. Despite numerous campaigns on the part of many unions the sales personnel of this store remains unorganized. Also this major State Street store refuses to hire Negroes. Other stores along Chicago's main stem have capitulated on this score but not this "leader."

Lily-white and unorganized, that is Marshall Field. It is not hard to figure out whom Marshall Field executives like Hughston McBain would consider subversive.

MOTOROLA, of which Galvin

(Continued on page 14)





### Accomplishments

The American Security Council's concrete accomplishments show the tremendous scope of its present activities, and clearly illustrate the broad approach which will be used in the further development of the Council.

The American Security Council

- Has gathered together the largest and most complete private files on subversive activities in this country. It has information relating to the subversive activities of over 1,000,000 individuals and organizations.
- Is building its central index at the rate of 30,000 names a month.
- Handles 2,500 requests for security information a month.
- Sponsored (but did not finance) the organization of Fidelifax, Inc., which is a nationwide personnel investigative and fact-finding organization with 32 offices in major cities throughout the country. Each office of Fidelifax is headed by a former special agent of the F.B.I.

Fidelifax is a completely independent and separate corporation. The current president of the American Security Council is also president of Fidelifax, but there is no other overlap in personnel.

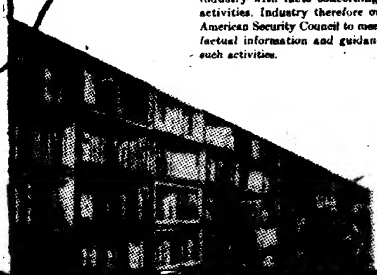
- Has substantial current coverage of public source material including 1700 daily newspapers, all Communist Party publications, all federal, state and local hearings on un-American activities and numerous pertinent bulletins, newsletters and magazines.

### The need for the American Security Council

The most effective weapon of any subversive group is the very secrecy in which its agents work. For this reason they hide their true allegiance and work through all manner of fronts with worthwhile and patriotic sounding names.

The F.B.I. has been assigned the primary responsibility for the investigation of subversive activities and has done an excellent job of this. However, the F.B.I. is required by law to maintain its files as confidential, and it cannot divulge the facts in its files except for use in a court of law, or for the confidential use of other agencies of the federal government.

Thus, the F.B.I. is not permitted to furnish industry with facts concerning subversive activities. Industry therefore organized the American Security Council to meet its need for factual information and guidance regarding such activities.



IN A CIRCULAR distributed to corporations, the American Security Council says that while the FBI has the job of "maintaining its files as confidential" and is "not permitted to furnish industry" with blacklist information, the ASC is able to provide such "service" to employers through its offices in 32 cities, each "headed by a former special agent of the FBI."



ROBERT E. WOOD, recently retired as chairman of Sears, Roebuck and Co. He headed the American First Committee and has been a co-worker with anti-semitic and anti-labor forces. Now he has fathered the American Security Council.

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan ☒ \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach ☒ \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

### WAR PLAN GETS BIG PROMOTION

**BIG BUSINESS** is going all out to circulate the inflammatory pro-war scheme of the military leaders described in the accompanying article.

John M. Fisher, former FBI agent, who is now president of the American Security Council, in a letter to the 2,900 members of the ASC called on them to "do something about freeing Cuba!"

Copies of the report are available, he informs the member companies, in lots of 10,000 for widespread circulation.

The corporation heads are urged to write President Kennedy, Secretary of State Rusk, Congressmen and Senators to take "action" against the Cuban government.

This is part of the big business — military and right wing campaign to heat up the cold war and start a shooting war.

The Washington Post and \_\_\_\_\_  
 Times Herald \_\_\_\_\_  
 The Washington Daily News \_\_\_\_\_  
 The Evening Star \_\_\_\_\_  
 New York Herald Tribune \_\_\_\_\_  
 New York Journal-American \_\_\_\_\_  
 New York Mirror \_\_\_\_\_  
 New York Daily News \_\_\_\_\_  
 New York Post \_\_\_\_\_  
 The New York Times \_\_\_\_\_  
 The Worker \_\_\_\_\_  
 The New Leader \_\_\_\_\_  
 The Wall Street Journal \_\_\_\_\_  
 Date 9-2-61  
 People's World P.9

7-104  
 PERS. FILES

Rum

# Council Here Tells of Its Files on Reds

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

*[Handwritten initials and marks]*

## Firms and Individuals Pay for Information

Last in a series on leaders of "blue or ultraconservative" groups in the Chicago area and their expanding activities.

BY JOSEPH HAAS

The American Security Council notes in a brochure that it has "the largest private files on communism in the country."

John M. Fisher, president and executive director of the council at 205 W. Monroe, cautions against aligning it, however, with conservatism.

"Not unless by 'conservative' you mean 'anti-Communist,'" said the amiable, businesslike former FBI agent.

To say the files indexed "individuals and organizations" would be "presumptuous," Fisher said.

"To say that, you'd have to have a complete file on each of them," He declined to estimate how many persons or groups were catalogued.

58 MAR 5 1962  
The COUNCIL occupies 5,000 square feet of third-floor space with much of this area devoted to files and bookshelves.

Of these files, the council's descriptive pamphlet says, "All Communist Party publications, 1,800 daily newspapers, 6,000 weekly newspapers and 200 magazines are clipped for the files."

"One thousand new index cards a day are needed to index the flow of current information from 11 sources."

Fisher said the number of such file cards cross-indexing

individuals and organizations totaled 2,000,000.

FISHER PREFERS to de-emphasize the files and the "special information" service given council members (who are cautioned that it is 'confidential information') and to stress the council's other activities.

These are mainly publication of a "Newsletter" and a "Washington Report" distributed primarily to members.

The "Newsletter," again, according to the brochure, "provides internal security information and a behind-the-scenes view of what the Communist Party, U.S.A., is really up to."

Its "Washington Report," the brochure states, "reports on national and international developments affecting the national security."

THE COUNCIL was founded in 1955 and, Fisher said, is not affiliated with any other organization.

## CHICAGO DAILY NEWS

RED STREAK

Edition

Date FEB 12 1962

Chicago, Illinois

Page 36 Col. 1

Part

Editor JOHN STANTON

CHICAGO OFFICE

MAR 1 1962 XEROX

AMERICAN SECURITY COUNCIL  
INFORMATION CONCERNING  
(INTERNAL SECURITY)  
CG 66-4785

NOT RECORDED  
46 FEB 23 1962

PERS. REC. UNIT

Until January, 1960, membership — limited to firms paying \$30 to \$900 yearly in dues scaled to the number of employees — was about 450.

In the last two years, Fisher said, it has burgeoned to 3,156 company and some individual memberships. It has a budget of \$250,000 yearly and 20 staff employees, he added.

Eight staffers are former FBI agents, four of them lawyers. Four other lawyers also work for the council.

**B. APPROX.**

**ROBERT E. Wood**, 82, retired board chairman of Sears Roebuck & Co. and former Army quartermaster general, is one of the council's "senior advisors."

He brought Fisher to direct the council from Sears Roebuck, where Fisher had been an executive assistant to the vice president in charge of personnel.

**Fisher, of Wheaton, a World War II combat pilot who flew 28 bombing missions over Italy, joined Sears in 1953 after six years with the FBI.**

Gen. Wood, of Lake Forest, headed America First, formed in early 1941 to oppose America's entry into World War II.

Among other leaders in America First were Col. Robert R. McCormick, late publisher of the Chicago Tribune, and Clarence Manion, onetime dean of the law school at the University of Notre Dame and a national councilor of the Birch Society.

**THE AMERICAN Security Council** has 10 top executives

of major business firms in its Senior Advisory Board and half a dozen retired admirals and generals in its National Strategy Committee.

Its officers, like Fisher, are junior executives in the companies of Senior Advisors' firms who have been chosen to represent them in council operations.

**Fisher said the council distributes "about 5,000" copies of its reports, mainly to members, and answers about 1,500 of their requests monthly for "special information."**

He is proud of the extensive reprinting of council reports and their use as sources for editorials and news stories in the nation's press.

"I wouldn't be surprised if, for every Washington Report we circulate, we get 30 to 50 reprints," he said. A notice on each report states that "full reprint rights" are permitted.

\* \* \*

**IN THE LAST** two years, the Washington Report has, among other things, commented on:

**Cuba**—Recommending "bold and resolute action" or the United States "will eventually be isolated from the rest of the Americas."

Among U. S. actions recommended were "to use its national power to the extent and in the manner required to free the Cuban people" and to make it clear the United States "will not tolerate guerrilla invasions and power seizures in other Latin American countries by

Cuban or other Communist forces."

It suggested as a "peaceful" step to take the declaration that the movement of "Communist war material" to Cuba be declared "contraband" and that the U. S. use "proper enforcement" to stop it and the "build-up of Castro's military strength" and shipping of arms to other Latin American nations.

**The Fulbright Memo**—Adm. Chester Ward (Ret.) interpreted it as an attempt by the "pacifists" to "gag . . . military anti-communists." Sen. John W. Fulbright (D., Ark.), in the confidential memo to President Kennedy, called for a curtailment of military participation in "anti-Communist" seminars.

**Nuclear and Disarmament Policy**—Dr. Stefan T. Possony, director of international studies at the Hoover Institute of Stanford University, wrote "Nuclear Fabianists" in the government are trying to "persuade the United States to lay down and destroy our arms."

\* \* \*

**THE NEWSLETTER** is prepared by Jack E. Ison, a former FBI agent and the council's operating director. Some of his reports were on:

**The Black Muslims.** Ison called the black supremacist religious cult, headquartered in Chicago with an estimated 70,000 members, "potentially dangerous." He said it was "motivated by hate" and noted it had a judo-trained, semimilitary group called the "Fruit of Islam."

**A Cleveland (Ohio) foreign-language translations firm.** Ison said that "75 per cent" of the 86 firms it serves are "engaged in defense produc-



GEN. WOOD

MANION

tion." The firm's owner, he said, has been a top official of the U.S. Communist Party.

**A book on American wildlife.** Ison says that a current book club selection was written by an author who was a "recruiting agent for the Soviet apparatus among members of the State Department" in the '30s.

**The Supreme Court ruling** that Communists must register as members of an organization representing a foreign power. Ison comments that the current Supreme Court, with its pro-Bill of Rights oriented majority, might upset this as a violation of the constitutional right against self-incrimination.

He noted that three members of the court are in their 70s and wrote, "President John Kennedy may well decide the future of the Communist Party, as it is now constituted, by his next appointment to the court. Atty. Gen. Bob Kennedy, to enforce our internal security, needs a 'balancer.'"

\* \* \*

**FISHER COMMENTED** that the council's reports are not as much concerned about "how we got where we are," as some groups are, but more with

"what do we do to get out of here?"

Showing a reporter the council's files, Fisher said, "In a way, our files are sort of an encyclopedia in the field of national security and communism."

**He said that "six government agencies" — without enumerating them — and newspapers frequently made use of the files, but the "general public" was not given access.**

"It wouldn't be wise to turn someone not knowledgeable in the field loose with such information," he said. "This information must be in 'packages'—documented, put in a significant piece.

"Many people don't understand what a 'Communist front' means and they want to go charging out without doing their homework."

\* \* \*

**THE MAJOR** share of the files, he said, came from seven separate libraries on communism which the council bought from, or was given by, private individuals.

The file that supplied most of the council's data—including a bound copy of the Daily Worker back to its first issue in the early '20s — was purchased from the estate of the late Harry Jung, Fisher said.

**Jung, who died in 1954, had headed the American Vigilante Intelligence Federation which had its headquarters here.**

**Fred Busbey, former Illinois**

**congressman who was a supporter of the late Sen. Joe McCarthy, also donated his extensive private library on communism to the council, Fisher said.**

Fisher said the files are available to newspapers for research. He showed a file on one individual, a former Communist leader who since has become an active anti-Communist.

It bulked three 9-by-12-inch folders nearly six inches thick with newspaper and magazine articles, printed notes of his activities, and many 3-by-5 cards cross-indexing it with other files.

\* \* \*

**FISHER SAID** that, among current plans of the council, are:

**—Preparation of a "Cold War Glossary"** with the aid of Dr. Possony on the meanings of "100 key words" in the Cold War.

This project is being undertaken, he said, in co-operation with Frank Vignola, River Forest furniture dealer and an officer in the Naval Air Reserve Training Command here.

Vignola was an organizer of the controversial anti-Communist seminar held at Gleview Naval Training Station for servicemen and civilians which led to criticism of military officers in such programs.

**—To put on a monthly basis a "Communist Education Report"** to list local education seminars on "Communism with a Capital 'C'" as Fisher put it, of "high quality" and with a "broad base of community support."

# Midwest Beat

## CHICAGO

**THREE AND ONE HALF YEARS** ago, on July 27, 1958, The Worker carried the first of a series of articles detailing the infamous activities of the American Security Council. Anti-unionists, former America Firsters and ex-FBI agents were shown to be working hand and glove in a scheme aimed at placing millions of Americans on the blacklist.

It took until Feb. 12, 1962, for the first Chicago daily to carry a full story on the blacklist activities of the ASC. On that date, Reporter Joseph Haas of the Chicago Daily News, climaxed his series of six articles on Chicago-land rightwing organizations with a headline announcing "Council Here Tell of its Files on Reds."

John M. Fisher, ASC executive director and president told reporter Haas that the ASC, which is headquartered at 205 W. Monroe St., Chicago, is "anti-Communist" but not aligned with "conservative groups." How come then that Gen. Robert E. Wood, the acknowledged founder of the council was the co-chairman of the General Walker rally in Chicago (reported last week) and John M. Fisher was one of the sponsors of this biggest ultra right wing demonstration in Chicago in years?

Fisher, who is usually reticent about the ASC blacklisting operations admits to more than two million names and organizations in the organization's extensive card index file. The \$250,000 a year operation now has over 3,000 subscribing firms.

The Chicago Daily News is not the only publication these days that sees the tie-up between the Ultras and the ASC. The recent pamphlet by Irwin Suall, called the American Ultras, devotes a couple of its pages to connecting the Security Council to the corporate support for extreme right-wing activities.

There is much more that needs to be said, and no doubt will, about the Security Council. But, after virtually a three and a half year blackout in all sectors of the press (except The Worker) the rock is being lifted on the ASC. That is good news.



**AMONG THE NOTES** left over from the Gen. Walker rally in Chicago, a couple are of special interest.

When the meeting ended, a brazen young man in brown uniform in the lobby distributed programs of the National Nazi party headed by Lincoln Rockwell.

A murmuring crowd gathered (including some pacifists and others obviously hostile to the ultra-right who had come to the meeting out of curiosity. The police "subversive squad" came to his rescue and led him away.

A few days earlier the same police were not unfriendly to the same picket when he paraded in front of the Worker anniversary meeting at the Fine Arts Building. It must have hurt these cops to move their "anti-Communist" buddy out of McCormick Place with such a lack of ceremony.

—SAM KUSHNER



Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele Room \_\_\_\_\_  
Ingram \_\_\_\_\_  
Gandy \_\_\_\_\_

*Ken [unclear]  
Woods  
Lent [unclear]*

The Washington Post and \_\_\_\_\_  
Times Herald \_\_\_\_\_  
The Washington Daily News \_\_\_\_\_  
The Evening Star \_\_\_\_\_  
New York Herald Tribune \_\_\_\_\_  
New York Journal-American \_\_\_\_\_  
New York Mirror \_\_\_\_\_  
New York Daily News \_\_\_\_\_  
New York Post \_\_\_\_\_  
The New York Times \_\_\_\_\_  
The Worker 2 Midwest  
The New Leader \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
Date 2-25-62

NOT RECORDED  
46 MAR 2 1962

*file 100-425828  
54*



# INVENTORY FOR ACTION TOWARD COLD WAR VICTORY

*American Security*

## WHAT YOU CAN DO

Can you think of any national decision more important than a decision to win the cold war? May we count on you to work with the ASC toward a national objective of victory in the cold war?

For maximum results, we need to know what action to expect from you. Please complete this inventory and return it in the enclosed envelope.

1. Will you contribute (in the near future) suggestions on strategy for cold war victory? These may be original with you or may be articles or other materials with which you agree.

2. When "Guidelines for Victory in the Cold War" is completed, will you personally bring it to the attention of newspaper and magazine officials?

How many extra copies of the press release and study will you need for this purpose?

If you head one of the ASC's 62 member newspapers, will you consider running the study serially?

3. What universities and substantial organizations do you recommend as "cooperating universities" and "cooperating organizations?" They will be expected to contribute such suggestions as they deem advisable concerning strategy for cold war victory. They will be given credit for participating but will not be held responsible for the final text.

1/             
NOT RECORDED  
1962 APR 27 1962

Please check any of the above which you will personally invite to cooperate in this study.

(over)

AMERICAN SECURITY COUNCIL

123 NORTH WACKER DRIVE • CHICAGO 6, ILLINOIS

Cont'd.

4. The ASC's activities have been expanded well beyond that contemplated when the present membership dues schedule was established. Member companies are now asked to support this expanded program.

Instead of increasing the basic dues schedule, the ASC has established two additional categories of membership for those companies which have a direct interest in this more vigorous program.

Will you support the broadened American Security Council program:

- ☐ as a "participating" member company with your dues at twice the present level?
- ☐ as a "sponsoring" member company with your dues at three times the present level?
- ☐ in some other way? If so, how?

5. What else will you do or what else do you suggest that the ASC do toward Cold War Victory?

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

REC'D - SECURITY  
FBI  
MAR 24 1964





# COUNCIL NOTES

April 16, 1962

## TOWARD COLD WAR VICTORY!

The enclosed ASC Washington Report outlines "The Need for a National Objective of Victory in the Cold War".

A strong United States is the only thing standing between the Communists and their goal of world domination. The United States is still the strongest nation in the world. Yet, the Communists have been winning the cold war. This is because the United States, with its static policy of containment, has been playing a purely defensive role in this global conflict. On the other hand, the Communists have dedicated everything to gaining full control over the world. They make no bones about their objective of total victory.

As a nation, we have been unwilling to commit our full strength even to our defensive role. Our policies in Cuba and Laos have not been designed primarily to save those nations, but to avoid a confrontation with Communism.

The alternatives are simple. We must choose victory or defeat. As Admiral Burke says, the cold war "will last until either the western world or the Communists win." Let us win!

We believe that the American people want to retain their freedom and will willingly make sacrifices for this goal. They know that a polite defense is inadequate to preserve freedom ... that unless we decide to win, we will continue to lose. We believe that they will wholeheartedly and unreservedly back our government if it adopts a national objective of victory in the cold war.

To meet the Communist threat, the all-important and over-riding need is the need for a national objective of victory in the cold war. All else is secondary.

110  
NOT RECORDED

What can you do? Work with the ASC's nearly 331 member companies and over 100 cooperating organizations for the adoption of a national objective of victory. The American Security Council "is the means through which its member companies cooperate with government and with other groups to defend and extend freedom."

AMERICAN SECURITY COUNCIL

123 NORTH WACKER DRIVE • CHICAGO 6, ILLINOIS

APR 16 1962

The American Security Council's National Strategy Committee has been working for over six months on "Guidelines for Cold War Victory". This will outline strategy for cold war victory. It is the first in a series of studies on "Elements of Strategy for Cold War Victory". The National Strategy Committee members are: Loyd Wright, Chairman, Lt. General Edward M. Almond, Admiral Ben Moreell, Dr. Robert Morris, Dr. Stefan Possony, Admiral Arthur W. Radford, Admiral Felix B. Stump, Dr. Edward Teller and Rear Admiral Chester C. Ward.

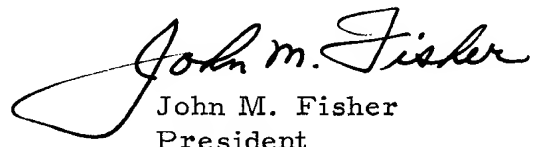
The strategy outlined in "Guidelines for Cold War Victory" will have the broadest possible base. For advice on this study, the American Security Council has organized a strategy staff which includes ten of the nation's top cold war experts. Cooperating universities are being asked to contribute to the study. The ASC's cooperating organizations are being asked for their suggestions. Prominent citizens will be asked for their advice and endorsement of the need for a national objective of Victory in the Cold War.

Of greatest importance -- all ASC member company executives are asked to participate to assure that the final recommendations are fully representative of their views.

We need your advice, suggestions and support for this study, and for encouraging our government to adopt a national objective of victory in the cold war.

After "Guidelines for Victory in the Cold War" establishes the overall concepts, the ASC will prepare a study on "The Role of Business in the Cold War". This study will outline 1) business' responsibilities in the cold war; 2) how the cold war will affect business; and 3) a detailed program for effective cold war action by business. Since Communism is dedicated to destroying free enterprise, such a program is clearly in the common business interest of ASC members. ASC member companies will also participate in this study.

The success of this program depends upon your action and support. If you endorse a national objective of victory in the cold war, please complete the enclosed "Inventory for Action Toward Cold War Victory" and return it to me. A postage-paid return envelope is also enclosed for your convenience.

  
John M. Fisher  
President

APR 20 10 34 AM '62

REC'D  
NON INT'L DIV

APR 27 1962



## WASHINGTON REPORT

Mr. Tolson	
Mr. Boardman	
Mr. Nichols	
Mr. Belmont	
Mr. Mohr	
Mr. DeLoach	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

Washington, April 16, 1962

WR 62-8

### The Need For A National Objective Of Victory In The Cold War

"... a peaceful world community of free and independent states -- free to choose their own future and their own system, so long as it does not threaten freedom of others ... a free community of nations, independent but interdependent."

This is the basic goal of the United States as set forth by President Kennedy in his State of the Union message, January 11, 1962 ... a wish certainly shared by all Americans.

Standing between wish and reality, however, is the Communist Empire's drive for world conquest. Its goal, restated again and again and outlined in minute detail in Khrushchev's speech of January 6, 1961, is to secure the total victory of world Communism.

The two goals are utterly irreconcilable.

The United States is the only power capable of thwarting the Communist drive for world conquest. Our subjugation in one form or another is indispensable to the realization of the Communist goal of total world victory. Our destruction or elimination as a hostile power center, therefore, is the Communist objective. The immediate strategy, as stated by Khrushchev, is peaceful co-existence. This strategy rejects (for now) international war but sanctions all other forms of struggle, armed and otherwise. Through it all, we are the principal Communist target. The success or failure of every Communist move must be judged in terms of whether or not our relative power and influence have been weakened or enhanced. (Power is placed first and underlined because influence is a direct result of power.)

NOT RECORDED

The struggle we are in is called "Cold War," but our very survival is at stake. If we lose, we lose not only our own freedom and independence but that of all the Free World as well.

Our goal of peace and freedom is clear enough, even though it amounts to political utopia -- a condition scarcely likely to result in human affairs. We are in the

## Containment and Accommodation

## Victory over Communism

The first viewpoint, of course, has been the basis of American policy since 1947, when the strategy of containment was first articulated by George Kennan. There have been modifications, necessitated by the failure of an internal Communist collapse forecast by Kennan to materialize, and by the development of military technology. This general philosophy still holds in Washington.

There are two major corollaries to the containment-leading-to-accommodation

There are t

philosophy:

- a) The United States is not omnipotent. That being the case, "We can hope to do little more than mitigate our [world] problems as best we can and learn to live with them." (Senator Fulbright, July 24, 1961)
- b) There is no practical alternative. A policy aimed at the destruction of international Communism means inevitable nuclear war.

It will be seen that the basic difference in the two viewpoints is one of means rather than ends -- whether the enemy's will to make war can best be broken by standing fast in the trenches or by carrying the battle into his own camp.

~~Intertwined with the debate on this issue is the question of whether we are, or are~~ not, losing the Cold War. There is much difference of opinion. Perhaps the most striking is the apparent change in the President's own view between the time of his first State of the Union message in January 1961 and the delivery of his speech at the University of California on March 23, 1961. The two speeches suggest that a fundamental reversal of the world situation has taken place in the space of 14 months. In the former, the President said:

"... our analyses over the last ten days make it clear that -- in each of the principal areas of crisis -- the tide of events has been running out and time has not been our friend."

But in the latter, a much different picture is painted:

"No one ... can doubt that the great currents of history are carrying the world away ... from Communism and toward independence and freedom."

Unfortunately, many must and do doubt. The doubters include millions of people ~~imminently menaced by Communist "wars of liberation,"~~ subversion, or other pressures. And they include many of the best military and academic minds in the United States. These people find no encouragement in the erection of the Berlin Wall; to them it is more significant that the wall was not pulled down. They take no solace from the feeble protests which greeted Soviet resumption of nuclear testing; they regard the tests as a dangerous threat to American military supremacy. To them, a "peaceful solution" in Laos is no victory if the Communists, no matter in what disguise, effectively control the country. The alleged loss of Castro's appeal to Latin America is not as important as the reality of his grip on Cuba. The differences between Russia and China ~~are~~ not as important as the fact that these differences concern the best way to accomplish the total victory of Communism. These people conclude that we are, on balance, still losing.

The American Security Council shares this conclusion. It believes that if our present policy is continued, we will continue to lose. It believes that if the United States is to continue to survive, then there is no substitute for victory over

international Communism as the national objective in the cold war. It is now undertaking a series of studies on "Elements of Strategy for Cold War Victory." The first study of this series "Guidelines for Cold War Victory" will suggest a strategy to achieve victory without nuclear war. Basic to such a strategy, however, must be the realization by the American people of the need for an objective of victory and its proclamation by the United States Government. This will happen, only if the fatal defects and fallacies inherent in the policy of containment-leading-to-accommodation are fully understood. Containment is in fact a "no win" policy because:

- a) It provides no real inducement to the Soviets to call off the Cold War. The promise that the United States will never strike first assures the Soviets that they can pursue their objective with little or no risk to themselves. They have a world to win and little to lose by continuing to wage war against us over the full spectrum of "protracted conflict."
- b) It is a defensive policy with all that this implies strategically and psychologically. It surrenders the initiative to Communism and allows the Communists to choose the field of battle. It compels us to react rather than act. It abandons our anti-Communist allies within the Communist Empire. It weakens the belief of many "fence sitters" in our ultimate triumph. It dismays some of our most loyal friends. It saps our will to make sacrifices by raising false hopes, encouraging complacency, and facilitating official deception by our leaders.
- c) It promotes the myth that total victory for either side in the Cold War is impossible -- a concept not shared by the Communists. On the one hand, it takes no account of the fact that once "peace" becomes the penultimate end of a nation or civilization and compromise and negotiation become its means, then it becomes increasingly difficult to accept any choice which will mean the ruin of that policy. It ignores the possibility that if we fail on the plane of political and economic warfare and become isolated, we may not decide to resist if the "surrender or die" challenge finally comes. It supposes, on the other hand, that victory for us can be achieved only by physical conquest of Russia.
- d) It suggests a false criterion for success and failure. Success is claimed whenever a Communist plot or probe is blocked; whenever a direct power confrontation with the Soviets is avoided; or whenever "world opinion" seems to frown on the Soviets. Failure is acknowledged only when the Communists establish overt control of some area, as in Cuba. By this reckoning, we are winning and not losing because successes far outnumber failures. The trouble here is that our "successes" can never be more than temporary. The Communists are free to try again. Our failures are permanent. Once an area is lost, we do not try to regain it. And we do not regard the loss of an area to neutralism as a defeat.
- e) Finally, it fails to make full use of our national power while we still have

it. We are, by any standard of measurement, still the strongest nation in the world. The total of our military economic, industrial and technological capabilities far exceeds that of any other country on the face of the globe. There is no inevitability to history. Its course is shaped by the purposeful actions of purposeful men. We have demonstrated our ability to shape the course of events in any part of the world more than once when we chose to exert our power and influence.

An example here is the account of our image in Latin America rendered by Senator Margaret Chase Smith, after her visit there last fall. She found "a deeply ingrained cynicism and growing lack of respect" toward the United States, and a disturbing view that the alliance for progress is only an effort "by a rich, flabby and timid Uncle Sam to try and buy that which he is unwilling to fight for himself."

The chief objection to an objective of Cold War victory seems to be that it will lead inevitably to nuclear war. There is no more reason to think this than to believe that the Communist objective of victory makes war inevitable. However, just as we are developing a range of reactions to Communist moves under the strategy of containment, so we can develop a range of actions under a strategy of liberation. So long as we maintain the military balance decisively in our favor, nuclear war will be no more attractive to the Soviets on the defensive than on the offensive. No aggressor will begin a war he knows he cannot win.

There is, however, risk of war in any resistance to Communism. The strategy of containment does not avoid it. It frankly admits to a contest stretching for many decades. There is great danger that some "breakthrough" by the Soviets in military technology during this period will cause them to abandon "peaceful co-existence" in favor of nuclear war. There is no safety in the slow, "sure" approach.

The question is whether there is greater risk in trying to live with the Cold War or in determining to win it. One thing is certain. The Communists have always recoiled before superior power and the clear willingness to use it.

An objective of victory would lead us away from the dangerous pitfalls of disarmament and ensure that we keep our military superiority. It is this superiority which causes the Soviets to eschew international war. If we lose it, the danger of war increases accordingly.

So long as containment-leading-to-accommodation is pursued, there is no alternative to the arms race and the ever greater insecurity which results. Americans are today encouraged to think that there is real hope for disarmament when in fact there is none at all except on a basis which would increase Soviet military power relative to our own. So long as the Soviet goal of world domination remains, disarmament from their standpoint will be only a tactic. Actual disarmament would be a disaster for the free world. Nuclear weapons exist as a fact of life. They cannot be wished away. The nuclear balance is the dominating factor in contemporary international



relations. Only victory can stop the spiraling arms race by eliminating the necessity for it.

We must identify the real enemy to our national security. It is not amorphous social evils such as poverty, over-population, under-education, racial discrimination or the like. It is not the absence of a rule of world law. It is not the emerging demands of colonial peoples or the revolution of rising expectations. It is a global, disciplined organization dedicated to world domination. It is international Communism.

This enemy must be destroyed if our national security is to be maintained. It must be destroyed if the national goal of peace and freedom set forth by the President is ever to be achieved.

This will happen only when we accept the fact that the current struggle is a struggle for survival. It will happen only after we proclaim our determination to win this struggle and act accordingly!

For the past six months, the National Strategy Committee of the American Security Council has been working on "Guidelines for Cold War Victory." This is the first of a series of studies on "Elements of Strategy for Cold War Victory." This is a grudgingly serious task. We need and ask for your ideas, suggestions and support in the further development of the study!

*Loyd Wright*

Loyd Wright  
Chairman,  
National Strategy Committee

This report may be quoted in whole or in part if context is preserved, credit given and copy of quote furnished.

Editor-in-Chief  
John M. Fisher  
  
Editor  
Frank J. Johnson  
  
Chief, Washington Bureau  
Lee R. Pennington  
  
Associate Editor  
Chester Ward  
Rear Admiral USN (Ret.)  
Contributing Editor  
Dr. Stefan Possony

The ASC WASHINGTON REPORT is prepared twice a month by the Washington Bureau of the American Security Council. It reports on national and international developments affecting the nation's security for the information of its 3200 member institutions. The Washington Bureau staff carefully researches each subject covered in a Washington Report. The facts in each issue are carefully checked with several experts on the particular subject. Any recommendations made in a Washington Report represent the consensus of the thinking of the best available experts.

Many member institutions and cooperating organizations reprint the ASC Washington Report for their own employees or members. Some of these reprint it as their own Washington Report with their own masthead. Many newspapers also reprint from the Washington Report.

Member institutions may purchase additional subscriptions to the Washington Report for their employees, educators, clergymen and government officials for \$3.00 a year. This covers only the cost of printing, mailing and first-class postage. Additional copies of this issue available for ten cents each including postage. One hundred copies or more available at five cents each plus shipping. Unfolded copies available at no charge for reprint purposes.

*John M. Fisher*  
Editor-in-Chief

AMERICAN SECURITY COUNCIL

Main Office: 123 North Wacker Drive, Chicago 6, Illinois  
Washington Bureau: 808 17th Street, N.W., Washington, D.C.



August 24, 1970

Vol. 6, # 44-133

BULLETIN Page 3

# Right Wing Group Poses Threat To Working Class

BY THE EDITORS

The New York Times, in an article by Wallace Turner in its August 17 issue, has provided important information on one of the least known but best financed and effective of the organized rightist groups—the American Security Council. This group operates on a budget in excess of \$1 million a year, is staffed by former FBI agents, is endorsed by a long list of former generals and admirals, and is financed by some of the largest corporations in the United States.

Its major activity in the recent period has been a campaign in favor of Nixon's ABM missile program. It is presently compiling a "security voting index" which will rate the members of Congress as to how they stand on positions the Council feels are vital to security.

Among the firms associated with it over the years are Marshall Field, Sears Roebuck, Stewart-Warner, Motorola, GE, Schick, U.S. Steel, and National Liberty. Contributions to the Council from such firms are written off as business expenses.

One of the most interesting operations of the group is a library and research center maintained at 123 Wacker Drive in Chicago which claims to contain "The largest private collection on revolutionary activities in America." The collection is overseen by ex-FBI agent William K. Lambie and information from the files is provided to supporting corporations upon request for a small charge. The photo of a section of these files, appearing in the August 17 New York Times, shows the BULLETIN along with other papers like the Black Panther and Challenge.

Those who think that right wing groups in the United States are small, isolated and made up of nuts had better think again.

There is a whole spectrum of organizations stemming from openly fascist and anti-semitic groups to highly respectable ones like the American Security Council which openly works with the blessings of President Nixon. But each of these organizations has its connections with others.

For instance the American Security Council's files were acquired from the late Harry Jung who published a right wing anti-semitic paper. Furthermore the Council is obviously set up with the perspective of needing an apparatus independent of the government itself to promote American imperialism and militarism AND to keep an eye on revolutionary organizations.

There is no country in the world where there are more extensive or better financed right wing activities. Today these rightists have open connections with the White House itself. In the coming period we will see further growth of such groups and greater financing from big business.

As a copy of this issue of the BULLETIN is placed in its appropriate box on a shelf at 123 Wacker Drive, it would be well for William K. Lambie, Jr. to note that we are as aware of him as he is of us. The strength of our movement comes not from financial resources as is the case with his Council nor is our staff paid a fraction of the salaries of his staff. It comes from the strength of the American working class. It is this and this alone that Mr. Lambie can learn, if he wishes, from the pages of the Bulletin.

Right now the capitalist class has differences among itself. Big business interests represented by the New York Times—as hostile to labor as those who support the American Security Council—still cling to the hope of maintaining their rule through compromise and the corrup-

Tolson

Mohr

Bishop

Casper

Callahan

Conrad

Felt

Gale

Rosen

Sullivan

Tavel

Soyars

Tele. Room

Holmes

Gandy

The Washington Post  
Times Herald

The Washington Daily News

The Evening Star (Washington)

The Sunday Star (Washington)

Daily News (New York)

Sunday News (New York)

New York Post

The New York Times

The Sun (Baltimore)

The Daily World

The New Leader

The Wall Street Journal

The National Observer

People's World

Examiner (Washington)

"Bulletin" Weekly

League of the Workers

Date 8-24-70, p. 3

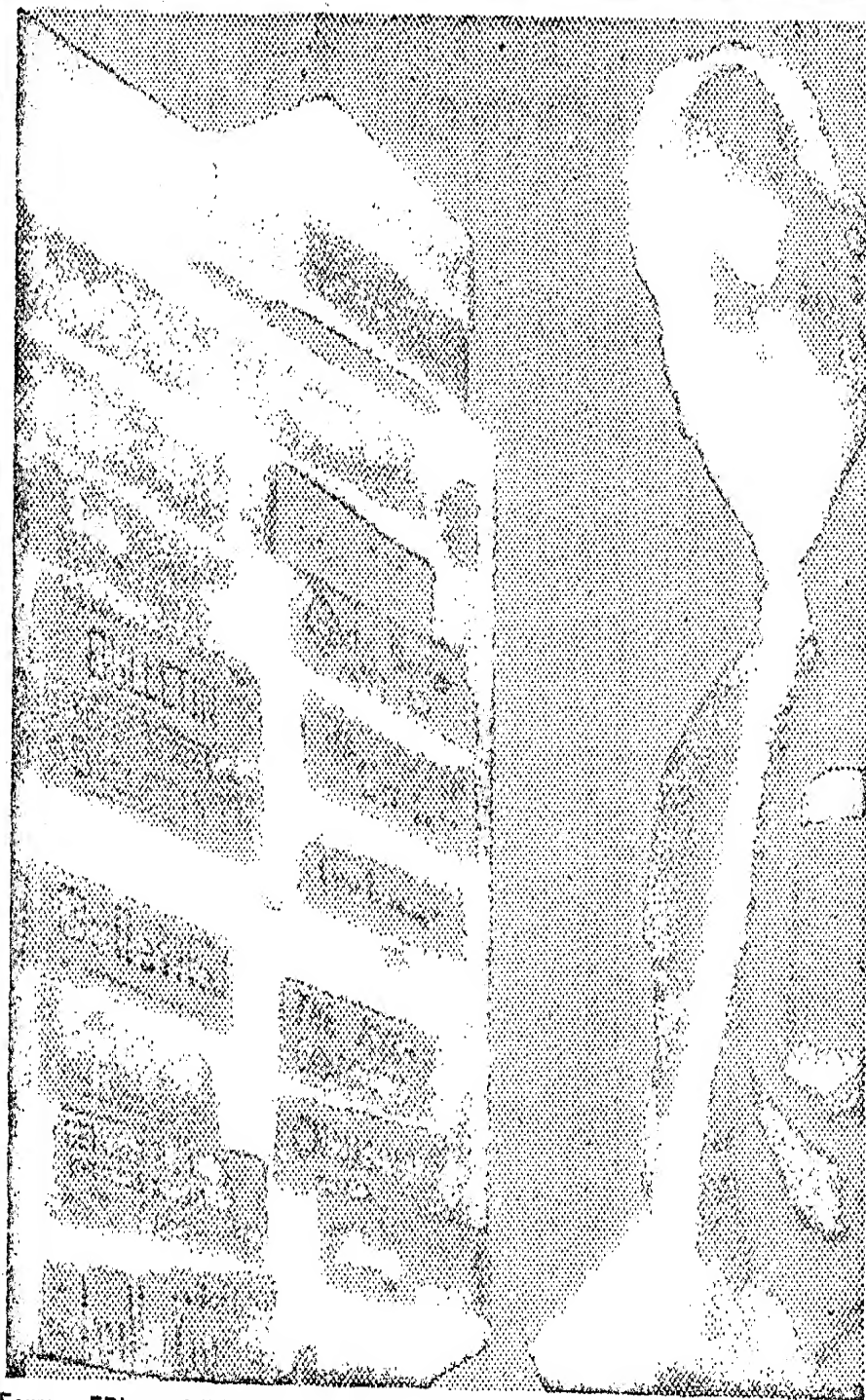
NOT RECORDED

191 SEP 10 1970

56 SEP 14 1970

File 100-25728  
AMC  
AMERICAN SECURITY  
COUNCIL

UNRECORDED COPY FILED IN



Former FBI agent William K. Lambie looks over his files of "revolutionary organizations." Note boxes marked "Bulletin" as well as Black Panther and Challenge.

tion of the labor bureaucracy at home and the Stalinist bureaucracy abroad. They find the hawkish and redbaiting policies of groups like the Council a hindrance to their aims. As the struggle sharpens the men of the Times will close ranks with the men of the American Security Council as similar types did in

Germany in 1933.

In the meantime we read with great care what is published so as to be better prepared to prevent another 1933 through the only way it can be prevented—the independent mobilization of the working class against the capitalist class as a whole.

# Anti-Communist Council Prepares

## a Voting 'Index' on Congress

By WALLACE TURNER

The New York Times

CHLPEPER, Va., Aug. 10—

Here in the soft, lush Virginia countryside two hours by car southwest of the Pentagon, lights are burning late each night at the offices of the American Security Council.

The staff of the council, an organization intent on maintaining a strong military establishment and a vigorous opposition to Communism overseas, is busy computing a new kind of Congressional rating system—the "security voting index."

The index, to be mailed to subscribers next month for use in the fall's elections, will evaluate the record of each member of Congress on what the council considers the important national security questions of the day.

It will serve as a vehicle for attack on "doves" and for defense of "hawks" supporting those who voted for more military hardware and a hard line against Communism and opposing those who voted for military cutbacks and a more rapid withdrawal from Vietnam.

### Fits No Stereotypes

The council is a powerful organization that fits none of the stereotypes of the anti-Communist groups that have thrived in the 25 years of the Cold War. Its aims are superficially like those of the John Birch Society, but it does not engage in radical attacks against public figures. Neither does it try to equate anti-Communism with godliness.

The important names on the council's letterheads are those of generals and admirals and businessmen. But the council is no front for the "military-industrial complex," for the businessmen include few who make guns, tanks, bombs or warships. Instead, they are in the electronics, television, sets, and other consumer goods industries.

In 15 years of activity, the council has acquired sufficient influence for President Nixon to write it a thank you letter last year and for Gen. William C. Westmoreland, the Army Chief of Staff, to be willing to make speeches whenever it needs him. The men who run the council and its affiliates have about \$1-million a year to spend.

Now the council stands on the edge of major controversy as its voting index attacks the dedication to national security of some of the leading figures in the Congress.

Tens of thousands of letters have been mailed out to names on mailing lists purchased by the council. The letters ask for \$10 contributions to help pay the cost of rating Senators and Representatives. They promise to deliver the security voting index and say that it will be "very influential in the 1970 elections."

About 31,500 people have responded by sending in \$315,000.

The recipients are told that they are opinion leaders in their communities and are asked to indicate approval, disapproval or no opinion on 10 such statements as:

"The Safeguard Antiballistic Missile Defense System is necessary for the defense of the United States."

"Communists and other revolutionaries should be permitted to hold sensitive positions in defense facilities."

"The United States should extend diplomatic recognition to Red China."

Tolson \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Bishop \_\_\_\_\_  
 Brennan, C.D. \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Casper \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 Felt \_\_\_\_\_  
 Gale \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Walters \_\_\_\_\_  
 Soyars \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

The Washington Post \_\_\_\_\_  
 Times Herald \_\_\_\_\_  
 The Washington Daily News \_\_\_\_\_  
 The Evening Star (Washington) \_\_\_\_\_  
 The Sunday Star (Washington) \_\_\_\_\_  
 Daily News (New York) \_\_\_\_\_  
 Sunday News (New York) \_\_\_\_\_  
 New York Post \_\_\_\_\_  
 The New York Times \_\_\_\_\_ 21  
 The Sun (Baltimore) \_\_\_\_\_  
 The Daily World \_\_\_\_\_  
 The New Leader \_\_\_\_\_  
 The Wall Street Journal \_\_\_\_\_  
 The National Observer \_\_\_\_\_  
 People's World \_\_\_\_\_  
 Examiner (Washington) \_\_\_\_\_

Date **AUG 17 1970**

100-425828-A

NOT RECORDED

176 AUG 21 1970

55 AUG 24 1970

100-425828

### National Results Due

The letter is robot-typed, personalized by a computed and signed by a facsimile machine. National results of the poll questions are promised about Sept. 20.

The St. Louis Globe Democrat reported a month ago that 631 persons had answered the council's poll questions when the paper printed them and that 5.1 per cent favored the ABM.

The council's fund solicitation letter also contained this paragraph:

"Many voters are not aware how some Senators such as Kennedy, Gore, Muskie, Fulbright, Goodell, McGovern, and others have positions on national security matters which weaken our defense against Communism. For example, they all support President Nixon on both defense and Vietnam."

"The mailings carried Senator W. Yarborough's name when Texas Democrats and him out in the primary name of Senator Alan Cranston of California was in its place.)

"I answer their questions by my answers would put me in their line."

said one man in forwarding his letter to a columnist friend. "Who supports something like this—the military industrial complex?"

In fact, the council is business-oriented. It was formed in Chicago in 1955 by such companies as Marshall Field, Sears Roebuck, Stewart-Warner and Motorola.

Today it has 1,700 member companies, which pay dues based on their number of employees. The dues are deductible as a cost of doing business. The most recent audit shows \$259,772.89 was spent by the council in 1969.

The council operates a tax-paying subsidiary, the ASC Press, which distributes its newsletter and its three-minute, 15-second daily radio program, both called "Washington Report."

The council also has close ties with the tax-exempt Institute for American Strategy, which runs a private version of the "Freedom Academy" a school to teach anti-Communism and pro-Americanism. Conservatives have failed in efforts to get Congress to establish such an academy with Federal funds.

The council fought hard for passage of the AMB appropriation, and received a grateful letter from President Nixon. Its Washington Report newsletter prints assessments of internal security, and discussions of international affairs. Last December, the report printed a paper titled "A Way Out of Vietnam" by William Pawley, former Ambassador to Peru and Brazil.

"The operation is uncomplicated," Mr. Pawley wrote. "My suggestion is that each time 25,000 American troops are removed from Vietnam, 25,000 Chinese Nationalists take their places. Thus within 12 months, we could withdraw 250,000 Americans—almost half our contingent—gradually reducing our forces to a relatively few experts left behind to assist the newly arrived forces unfamiliar with the terrain and other local problems."

### Headed by Ex-F.B.I. Agent

Mr. Pawley would put the Formosan Chinese troops into the demilitarized zone "where they could be quickly spread from the coast to the Laotian border."

John M. Fisher, the former Federal Bureau of Investigation agent who is president (at \$27,500 a year) of the council, said that Mr. Pawley's proposal was not an official statement of the organization. It was circulated for its discussion value, he said.

The council's radio program, also called "Washington Report," is six years old. Dr. Walter Judd, a former Minnesota Representative, runs it.

At first, Dr. Judd was assisted by Senator Thomas J. Dodd, Democrat of Connecticut, but after Mr. Dodd was censured by the Senate, Representative Richard H. Ichord, Democrat of Missouri, succeeded him. Mr. Ichord is chairman of the House Internal Security Committee and ranks 10th among the Democrats on the House Armed Services Committee. The council has done studies for the House panel that found the United States lagging militarily.

Senator Dodd was paid at the rate of \$50 a program for taking part in producing the program. He paid \$300 a week and returned \$5,000 of it last year. Mr. Ichord has refused payment.

The broadcasts were supported for the first five years by the Schick Safety Razor Company, a division of Ever-sharp, Inc., which was then controlled by Patrick J. Frawley Jr., of Los Angeles.

Mr. Frawley has been a major supporter of anti-Communist campaign organizations. He put \$1,152,000 of Schick's money into the radio program before dropping sponsorship in August, 1969. He no longer controls Schick. The grants were tax deductible as business expenses, which meant that Schick stockholders paid about half the subsidy and the Federal Treasury—through reduced tax collections—paid the rest.

Last January the National Liberty Corporation, an insurance company in King of Prussia, Pa., picked up partial support of the broadcasts with a \$5,000 monthly grant. The stations that carry it are down to about 350 from a high of about 1,200 in the Schick days.

In the program distributed for use on Aug. 3, Dr. Judd read a paper describing the Soviet Union's persecution of persons who attempt to print underground newspapers. Mr. Ichord's appearances generally deal with what he sees as internal security problems, such

as the Black Panthers or anti-war groups. Other programs deal with the American Security Council's views on current affairs.

The most recently available audit, for the year ended July 31, 1969, shows that the ASC Press spent \$494,447.24.

About two years ago, the council produced a version in comic book format of "Design for Survival" by Gen. Thomas S. Power, former commander of the Strategic Air Command. General Power was then an executive of Schick.

"I doubt that we will do that sort of thing again," said Mr. Fisher. The booklet was mailed to businessmen who had the general while he commanded SAC.



### Library in Chicago

Out in Chicago, in a loft building at 123 Wacker Drive, William K. Lambie Jr., a former F.B.I. agent, presides over the council's library and research center, described in a brochure accompanying the request for donations as "the largest private collection of revolutionary activities in America."

There are files of index cards keyed to publications that range from such periodicals as U.S. News & World Report or Pravda to bound volumes of Government reports and hearing records. On a shelf in Mr. Lambie's office are a set of hearings of the House Un-American Activities Committee from 1938 through 1941, which the flyleaf says is the property of Senator Richard M. Nixon.

The council was incorporated as the Mid-American Research Library in 1955 and acquired the files of the late Harry Jung, who published an anti-Communist paper tinged with a bit of anti-Semitism.

### Member firms of the council

may ask for research on individuals or organizations and are charged \$5 an hour for the time it takes to prepare the report, which consists of photocopies of the places that the person or group in question has been mentioned in documents in the council's files.

"I've never made up any lists and wouldn't know how," Mr. Lambie replied to the suggestion that the library files might be used to make blacklists for employer-members of the council.

The control group for the council is its executive committee, which is made up of representatives of the Senior Advisory Board who are named by the major concerns that founded the council.

They include such men as Kenneth M. Piper, vice president for human relations of Motorola, Inc.; Stephen Donchess of United States Steel; John Sevcik, president of the Burton-Dixie Corporation, and Russell White, coordinator of security for the General Electric Company.

These names appear rarely on council brochures. The most often published list is of the National Strategy Committee, whose membership varies from time to time but is always heavy with retired military officers, such as Gen. Mark W. Clark or Adm. Lewis S. Strauss.

Three newspaper publishers are on the current list—G. Duncan Bauman of The St. Louis Globe-Democrat, Peter Bruce Clark of the Detroit News and William F. Knowland of The Oakland Tribune. Mr. Knowland, a fixture on the list since his days as Senate Republican leader, said he had authorized the use of his name but never went to meetings.

Mr. Bauman has been active and has helped form the Missouri Council on National

Security, the only state adjunct of the council. Mr. Fisher, the council president, said he had misgivings about state or local chapters because they might tend to take erratic actions to the detriment of the national group.

However, Mr. Fisher was present last week in St. Louis when General Westmoreland spoke to about 300 labor leaders and businessmen at a meeting in a carpenters union hall under sponsorship of the Missouri Council on National Security.

A carpenters union official gave General Westmoreland a construction worker's hard hat, which recently has come to symbolize support of the Vietnam war and a hard line against demonstrations.

The hat was described as "a symbol of the millions of red-blooded American men who have done so much to make our nation the greatest in the world."

General Westmoreland, slim and handsome in uniform, smiled tightly but did not put on the hard hat.

In recent years the institute has been drawing closer to the Institute for American Strategy, of which Mr. Fisher is also president. The institute holds seminars for 30 to 50 people in a manor house on a 683-acre estate in the countryside near Boston, Va., a crossroads hamlet near here.

The institute also had its beginnings in Chicago. It grew out of the annual National Military, Industrial and Educational Conference held by the Chicago chapter of the Society for American Military Engineers. The annual meeting was thought by some not to provide enough opportunity to study Cold War strategy, so the institute was formed in 1958 and the Virginia property purchased in 1966.



The New York Times (by Wallace Turner)  
In a Chicago loft building, William K. Lambie Jr., a former F.B.I. agent, presides over the council's library and index.

# Anti-Communist Council Prepares Voting 'Index' on Congress

By WALLACE TURNER

Special to The New York Times

CULPEPER, Va., Aug. 10—

Here in the soft, lush Virginia countryside two hours by car southwest of the Pentagon, lights are burning late each night at the offices of the American Security Council.

The staff of the council, an organization intent on maintaining a strong military establishment and a vigorous opposition to Communism overseas, is busy computing a new kind of Congressional rating system—the "security voting index."

The index, to be mailed to subscribers next month for use in the fall's elections, will evaluate the record of each member of Congress on what the council considers the important national security questions of the day.

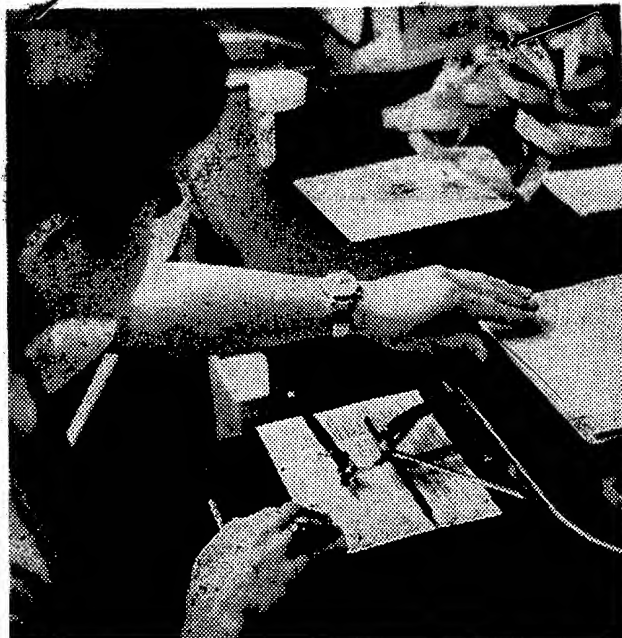
It will serve as a vehicle for attack on "doves" and for defense of "hawks," supporting those who voted for more military hardware and a hard line against Communism and opposing those who voted for military cutbacks and a more rapid withdrawal from Vietnam.

## Fits No Stereotypes

The council is a powerful organization that fits none of the stereotypes of the anti-Communist groups that have thrived in the 25 years of the Cold War. Its aims are superficially like those of the John Birch Society, but it does not engage in radical attacks against public figures. Neither does it try to equate anti-Communism with godliness.

The important names on the council's letterheads are those of generals and admirals and businessmen. But the council is no front for the "military-industrial complex," for the businessmen include few who make guns or bombs or warships. Instead they sell mattresses, newspapers, television sets, razors and insurance.

In 15 years of activity the council has acquired sufficient influence for President Nixon to write it a thank you letter last year and for Gen. William Westmoreland, the Army Chief of Staff, to be willing to make speeches whenever it



A facsimile machine traces the signature of John M. Fischer, president of the A.S.C., over automatically typed letters in Council's headquarters in Culpeper, Va. Thousands of such letters have been mailed out asking for contributions for a security voting index of Congressmen.

needs him. The men who run the council and its affiliates have about \$1-million a year to spend.

Now the council stands on the edge of major controversy as its voting index attacks the dedication to national security of some of the leading figures in the Congress.

Tens of thousands of letters have been mailed out to names on mailing lists purchased by the council. The letters ask for \$10 contributions to help pay the cost of rating Senators and Representatives. They promise to deliver the security voting index and say that it will be "very influential in the 1970 elections."

About 31,500 people have responded by sending in \$315,000.

The recipients are told that they are opinion leaders in their communities and are asked to indicate approval, disapproval or no opinion on 10 such statements as:

"The Safeguard Antiballistic Missile Defense System is necessary for the defense of the United States."

"Communists and other revolutionaries should be permitted to hold sensitive positions in our government."

## National Results Due

The letter is robot-typed, personalized by a computer and signed by a facsimile machine. National results of the poll questions are promised about Sept. 20.

The St. Louis Globe Democrat reported a month ago that 631 persons had answered the council's poll questions when the paper printed them and that 85.1 per cent favored the ABM.

The council's fund solicitation letter also contained this paragraph:

"Many voters are not aware of how some Senators such as Kennedy, Gore, Huskie, Fulbright, Goodell, McGovern, Cranston and others have taken positions on national security matters which weaken America's defense against Communism. For example, they all oppose President Nixon on both missile defense and Vietnam."

Early mailings carried Senator Ralph W. Yarborough's name, but when Texas Democrats voted him out in the primary, the name of Senator Alan Cranston of California was inserted in his place.

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Walters \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Soyars \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

*Shackelford*  
*Rosen*

*Brown (C)*

The Washington Post Times Herald \_\_\_\_\_  
The Washington Daily News \_\_\_\_\_  
The Evening Star (Washington) \_\_\_\_\_  
The Sunday Star (Washington) \_\_\_\_\_  
Daily News (New York) \_\_\_\_\_  
Sunday News (New York) \_\_\_\_\_  
New York Post \_\_\_\_\_  
The New York Times 21 \_\_\_\_\_  
The Sun (Baltimore) \_\_\_\_\_  
The Daily World \_\_\_\_\_  
The New Leader \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
The National Observer \_\_\_\_\_  
People's World \_\_\_\_\_  
Examiner (Washington) \_\_\_\_\_

REC-89 8-17-70

100-42532-11

NOT RECORDED

176 AUG 27 1970

56 SEP 3 1970

tionnaire as my answers would probably put me in their file," said one man in forwarding his letter to a columnist friend. "Who supports something like this—the military industrial complex?"

In fact, the council is business-oriented. It was formed in Chicago in 1955 by such companies as Marshal Field, Sears Roebuck, Stewart Warner and Motorola.

### 1,700 Member Companies

Today it has 1,700 member companies, which pay dues based on their number of employees. The dues are deductible as a cost of doing business. The most recent audit shows \$259,772.89 was spent by the council in 1969.

The council operates a tax-paying subsidiary, the ASC Press, which distributes its newsletter and its three-minute, 15-second daily radio program, both called "Washington Report."

The council also has close ties with the tax-exempt Institute for American Strategy, which runs a private version of the "Freedom Academy" a school to teach anti-Communism and pro-Americanism. Conservatives have failed in efforts to get Congress to establish such an academy with Federal funds.

The council fought hard for passage of the AMB appropriation, and received a grateful letter from President Nixon. Its Washington Report newsletter assessments of internal security, and discussions of international affairs. Last December, the report printed a paper titled "A way out of Vietnam" by William Pawley, former Ambassador to Peru and Brazil.

"The operation is uncomplicated," Mr. Pawley wrote. "My suggestion is that each time 25,000 American troops are removed from Vietnam, 25,000 Chinese Nationalists take their places. Thus within 12 months, we could withdraw 250,000 Americans — almost half our contingent—gradually reducing our forces to a relatively few experts left behind to assist the newly arrived forces unfamiliar with the terrain and other local problems."

### Headed By Ex-F.B.I. Agent

Mr. Pawley would put the Formosan Chinese troops into the demilitarized zone "where they could be quickly spread from the coast to the Laotian border."

John M. Fisher, the former Federal Bureau of Investigation agent who is president (at \$27,500 a year) of the council, said that Mr. Pawley's proposal was not an official statement of the organization. It was circulated for its discussion value, he said.

The council's radio program, also called "Washington Report," is six years old. Dr. Walter Judd, a former Minnesota Representative, runs it.

At first, Dr. Judd was assisted by Senator Thomas J. Dodd, Democrat of Connecticut, but after Mr. Dodd was censured by the Senate, Representative Richard H. Ichord, Democrat of Missouri, succeeded him. Mr. Ichord is chairman of the House Internal Security Committee and ranks 10th among the Democrats on the House Armed Services Committee. The council has done studies for the House panel that found the United States lagging militarily.

Senator Dodd was paid at the rate of \$50 a program for taking part in producing the broadcast tapes. Dr. Judd was paid \$300 a week and returned

\$5,000 of it last year. Mr. Ichord has refused payment.

The broadcasts were supported for the first five years by the Schick Safety Razor Company, a division of Ever-sharp, Inc., which was then controlled by Patrick J. Frawley Jr., of Los Angeles.

Mr. Frawley has been a major supporter of anti-Communist campaign organizations. He put \$1,152,000 of Schick's money into the radio program before dropping sponsorship in August, 1969. He no longer controls Schick. The grants were tax deductible as business expenses, which meant that Schick stockholders paid about half the subsidy and the Federal Treasury—through reduced tax collections—paid the rest.

Last January the National Liberty Corporation, an insurance company in King of Prussia, Pa., picked up partial support of the broadcasts with a \$5,000 monthly grant. The stations that carry it are down to \$50 from a high of \$1,200 in the Schick days.

in the program distributed for use on Aug. 3, Dr. Judd read a paper describing the Soviet Union's persecution of persons who attempt to print underground newspapers. Mr. Ichord's appearances generally deal with what he sees as internal security problems, such as the Black Panthers or anti-war groups. Other programs deal with the American Security Council's views on current affairs.

The most recently available audit, for the year ended July 31, 1969, shows that the ASC Press spent \$494,447.24.

About two years ago, the council produced a version in comic book format of "Design for Survival," by Gen. Thomas S. Power, former commander of the Strategic Air Command.

General Power was then a executive of Schick.

"I doubt that we will do that sort of thing again," said Mr. Fisher. The booklet was mailed to businessmen who had visited the general while he commanded SAC.

### Library In Chicago

Out in Chicago, in a loft building at 123 Wacker Drive, William K. Lambie Jr., another former F.B.I. agent, presides over the council's library and research center, described in a brochure accompanying the request for donations as "the largest private collection on revolutionary activities in America."

There are files of index cards keyed to publications that range from such periodicals as U.S. News & World Report or Pravda to bound volumes of Government reports and hearing records. On a shelf in Mr. Lambie's office are a set of hearings of the House Un-American Activities Committee from 1938 through 1941, which the flyleaf says is the property of Senator Richard M. Nixon.

The council was incorporated as the Mid-American Research Library in 1955 and acquired the files of the late Harry Jung, who published an anti-Communist paper tinged with a bit of anti-Semitism.

Member firms of the council may ask for research on individuals or organizations and are charged \$5 an hour for the time it takes to prepare the report, which consists of photocopies of the places the person or group in question

... never made up any list and wouldn't know how," Mr. Lambie replied to the suggestion that the library files might be used to make blacklists for

member-members of the council.

The control group for the council is its executive committee, which is made up of representatives of the Senior Advisory Board who are named by the major concerns that founded the council.

They include such men as Kenneth M. Piper, vice president for human relations of Motorola, Inc.; Stephen Donchess of United States Steel; John Sevcik, president of the Burton-Dixie Corporation, and Russell White, coordinator of security for the General Electric Company.

These names appear rarely on council brochures. The most often published list is of the National Strategy Committee, whose membership varies from time to time but is always heavy with retired military officers, such as Gen. Mark W. Clark or Adm. Lewis Strauss.

Three newspaper publishers are on the current list—G. Duncan Bauman of The St. Louis Globe-Democrat, Peter Bruce Clark of the Detroit News and William F. Knowland of The Oakland Tribune. Mr. Knowland, a fixture on the list since his days at Senate Republican leader, said he had authorized the use of his name but never went to meetings.

Mr. Bauman has been active and has helped form the Missouri Council on National Security, the only state adjunct of the council. Mr. Fisher, the council president, said he had misgivings about state or local chapters because they might tend to take erratic actions to the detriment of the national group.

However, Mr. Fisher was present last week in St. Louis when General Westmoreland spoke to about 300 labor leaders and businessmen at a meeting in a carpenters union hall

under sponsorship of the Missouri Council on National Security.

A carpenters union official gave General Westmoreland a construction worker's hard hat, which recently has come to symbolize support of the Vietnam war and a hard line against demonstrations.

The hat was described as "a symbol of the millions of red-blooded American men who have done so much to make our nation the greatest in the world."

General Westmoreland, slim and handsome in uniform, smiled tightly but did not put on the hard hat.

In recent years the council has been drawing closer to the Institute for American Strategy, of which Mr. Fisher is also president. The institute holds seminars for 30 to 50 people in a manor house on a 683-acre estate in the countryside near Boston, Va., a crossroads hamlet near here.

The institute also had its beginnings in Chicago. It grew out of the annual National Military, Industrial and Educational Conference held by the Chicago chapter of the Society for American Military Engineers. The annual meeting was thought by some not to provide enough opportunity to study Cold War strategy, so the institute was formed in 1958 and the Virginia property purchased in 1966.

The institute spent \$207,878.98 in the fiscal year ending Aug. 31, 1969. It has a sizable debt and ambitious plans to build a campus on the estate. Mr. Fisher lives in a big house that he built on 17 acres he acquired from the institute.

At a typical seminar in February, 1969, the participants included staff members for public officials, Businessmen, a retired Canadian Army officer, and a university administrator.





## WASHINGTON REPORT

Washington, July 2, 1962

WR 62-13

R.W. Smith  
for

### The Counterattack on Victory

During the past few months, the State Department has become increasingly sensitive to the accusation that it is following a "no win" foreign policy. Consequently, it has mounted a massive counterattack to discredit those who urge victory over Communism and to explain and justify the cold war strategy which it has elected to pursue. This counterattack has included speeches by top officials of the State Department and statements in their testimony before the Senate Subcommittee investigating the muzzling of the military.

There are a number of elements common to the counterattack on victory. The four major themes are:

- 1) The United States is now winning and not losing the Cold War.

As Harlan Cleveland, Assistant Secretary of State for International Organizations Affairs and a chief spokesman for the counterattack, puts it:

"Whatever you have heard to the contrary, the United States is not losing the cold war. The cold war is still a stand off, but leaning our way. How it goes from here depends more on what we do than on what they do."

To justify his statement, Cleveland lists the following:

"Not one of the forty countries which have become independent since World War II has chosen Communism as a system of government.

"Most nations -- including some quite weak nations -- have proved to be highly allergic to Communist propaganda.

"Communist parties throughout the world have lost strength in many more places than they have gained strength during the last years.

"Betrayal of the Cuban Revolution to Communism after Castro took over has resulted in the Castro government being thrown out of inter-American Society.

"In general, nationalism and the drive for independence have turned out to be more powerful political forces than Communism.

"There obviously are troubles in the Communist world ... they mean that Communist ideology is not the monolithic force it was once assumed to be."

Such is the basic State Department case to prove that the cold war is at least "leaning

53 JUL 19 1962

NATIONAL AND INTERNATIONAL DEVELOPMENTS AFFECTING THE NATION'S SECURITY

our way." The victory-in-the-cold-war proponents believe there are far more persuasive arguments in favor of the thesis that we are still losing. (WR 62-8, April 16, 1962) This question is obviously crucial to any analysis of the success or failure of American foreign policy.

If Communist advances are repelled on nine occasions but succeed on the tenth (as in Cuba and Laos), what is the score? The "we-are-winning" school would say that the score is nine to one in our favor. The victory-in-the-cold-war school would say that the score is one to zero in the Communists' favor.

2) Opponents of present policies are either a) in favor of all out nuclear war or b) isolationists.

In part, this is a serious misrepresentation, for there is virtually no one who advocates hydrogen war as a deliberate policy and very few, if any, who would have us withdraw into a shell and do nothing. In part, this represents the interpretation by the State Department of the consequences of the policies advocated by its critics, i. e. the State Department maintains that the limited military actions suggested by some proponents of victory over Communism are tantamount to preaching hydrogen war because this would certainly be the end result. Here the question revolves around the willingness of the Soviet Union to risk nuclear war in response to a free world offensive in the cold war. The proponents of victory in the cold war believe that this danger is highly exaggerated, that the Soviets are, in fact, in no position to risk nuclear war. (See WR 62-12, June 25, 1962)

3) Maturity and Sophistication require the rejection of "simple" or "easy" or "short cut" solutions.

Such is the description usually applied to any policy whose objective is victory over Communism -- particularly to policies which urge a no compromise struggle to achieve that end. The words of Thomas L. Hughes, Deputy Director of Intelligence and Research, Department of State, illustrate this attitude:

"The problems staring us all in the face for the rest of this century are not as simple as the great simplifiers among us apparently think. . . The amateurs (anti-Communists) concentrate on the ultimate Communist objective of world domination. In so doing they cut themselves off from the much more important objective of engrossing the Soviets in tactical questions which may help over time to divert them from their long range strategy."

The attack on the advocates of victory as oversimplifiers, or on "amateur anti-Communists" as ignorant and frustrated obscures the more basic issue which is raised by the passage excerpted from Mr. Hughes' address: can the Communists be diverted from their purpose by persuasion, accommodation and evolution, in short, by a defensive foreign policy; or can the Communist threat to "bury us" be defeated only by a free world offensive designed to win over Communism? Clearly, the State Department has adopted the former view and the counterattack on victory is an effort to sell the nation on this philosophy.

4) Our Foreign Policy really is a "win" policy.

Recently, a series of major policy declarations were delivered by top State Department officials. They coincided with the Senate hearings which have been concerned with the deletion of the word "victory" by State Department censors. The purpose of the speeches was to define American policy as a "win" policy.

All of the speakers made the same final point concerning our policy towards Communism. As Walt Rostow, Chairman of the Policy Planning Council, explains it:

"We have made it clear that we do not intend to initiate nuclear war to destroy the Communist world. The question then arises: Are we content merely to fend off the Communist intrusion, military and subversive? What are our prospects with respect to the Communist world? Are we reconciled to a planet which shall, at best, be forever split?"

"We are engaged in an historic test of strength... If we succeed in defending the present frontiers of freedom, the outcome of that test of strength will be determined by slow moving forces of history... I would put it to you strongly that they are moving our way..." (Department of State Bulletin, April 16, 1962)

Some of Rostow's ideas for putting this strategy into practice are contained in a 160-page document entitled "Basic National Security Policy," which is now under consideration by the Administration. The proposals are a reaffirmation of the containment policy and would commit the United States to a totally defensive posture. Among the efforts to be made to reach an accommodation with the Communist world are admission of Communist China into the United Nations (as a co-equal with Nationalist China), the pressuring of Chiang Kai-Shek to withdraw from Quemoy and Matsu, and the resolution of the Berlin problem through some form of de facto recognition of East Germany.

News of these proposals no doubt is encouraging Soviet rigidity on Berlin, while in the Far East the Chinese Communists are building up their forces along the coast, possibly to bring pressure for an evacuation of the offshore islands.

The State Department heatedly denies that it seeks permanent co-existence with Communism just as Khrushchev explains that he has no intention of co-existing permanently with us. It denies that its maximum objective is accommodation with Communism, but Rostow makes it plain that this is exactly what we are aiming for. Our ultimate goal of a free and independent world is then to be achieved passively rather than actively. The key words are "the slow moving forces of history." Situations which might lead to war are to be avoided as much as war itself. Thus, both sides are promoting peaceful co-existence. But there is a fundamental difference: The Communists make it clear that they believe in revolution rather than evolution. Peaceful co-existence is, to them, a means for continuing to wage an active campaign against the free world by all of the military, political, economic, psychological and social means at their disposal. The State Department contemplates no such program against the Communist world. It continues to believe in the thesis that the Communist threat will eventually die of its own internal weaknesses without the need for direct outside pressure. It believes that

the risk of applying that pressure is greater than the risk of not applying it. It would rely on "evolution" to remove the threat.

The proponents of victory in the cold war disagree with this position. The type of peaceful co-existence which the State Department is prepared to accept with Communism cannot, by the nature of Communist goals, be in the interests of the United States or of the free world. It is impossible, for example, that both Russia and the United States can be correct in hailing the formation of a coalition government in Laos. The Communist objective in Southeast Asia is to eventually absorb this area by whatever means prove necessary and involve the least risk. This objective is utterly at variance with that of the United States, which is, or should be, to keep that region within the free world. Khrushchev obviously believes that the coalition government is a step toward his objective. It is exactly what he has demanded from the beginning of the Laos crisis. The victory there clearly belongs to Communism.

Laos and what to do about it has been the most illustrative current example of the divergent choices of grand strategy open to the United States. The State Department is arguing forcefully and persuasively for the course which it has chosen. But its decision is not irreversible. Government in a democracy is responsible to the wishes of an enlightened citizenry. The people must ultimately decide the issue. But they must understand clearly what the issue really is. The issue today is whether there is greater risk in pursuing an offensive policy against Communism, or whether there is greater risk in trusting that Communism will eventually destroy itself before it takes over the rest of the world. No more fateful decision has ever confronted us.

*Frank J. Johnson*

Frank J. Johnson  
Editor

This report may be quoted in whole or in part if context is preserved, credit given and copy of quote furnished.

Editor-in-Chief  
John M. Fisher

Editor  
Frank J. Johnson

Chief, Washington Bureau  
Lee R. Pennington

Associate Editor  
Chester Ward  
Rear Admiral USN (Ret.)

Contributing Editor  
Dr. Stefan Posson

The ASC WASHINGTON REPORT is prepared twice a month by the Washington Bureau of the American Security Council. It reports on national and international developments affecting the nation's security for the information of its 3200 member institutions. The Washington Bureau staff carefully researches each subject covered in a Washington Report. The facts in each issue are carefully checked with several experts on the particular subject. Any recommendations made in a Washington Report represent the consensus of the thinking of the best available experts.

Many member institutions and cooperating organizations reprint the ASC Washington Report for their own employees or members. Some of these reprint it as their own Washington Report with their own masthead. Many newspapers also reprint from the Washington Report.

Member institutions may purchase additional subscriptions to the Washington Report for their employees, educators, clergymen and government officials for \$3.00 a year. This covers only the cost of printing, mailing and first-class postage. Additional copies of this issue available for ten cents each including postage. One hundred copies or more available at five cents each plus shipping. Unfolded copies available at no charge for reprint purposes.

*John M. Fisher*  
Editor-in-Chief

AMERICAN SECURITY COUNCIL

Main Office: 123 North Wacker Drive, Chicago 6, Illinois  
Washington Bureau: 808 17th Street, N.W., Washington, D.C.

JUL 5 10 20 AM '62

REC'D DEPT. OF JUSTICE

REC'D - JUL 5 1962  
FBI - JUSTICE

JUL 5 10 58 AM '62  
FBI - MOHR